

**COASTAL**  
Projects Limited



**20<sup>th</sup> ANNUAL REPORT**  
**2014 - 2015**

[www.coastalprojects.co.in](http://www.coastalprojects.co.in)

**BOARD OF DIRECTORS:**

- |                       |                     |
|-----------------------|---------------------|
| 1. Mr.S.Surendra      | - Chairman          |
| 2. Mr.G.Hari Hara Rao | - Managing Director |
| 3. Mr. N.Sridhar      | - Director          |
| 4. Mr. Sharad Kumar   | - Director          |

**COMPANY SECRETARY:** Ms. N.Varalakshmi

**JOINT STATUTORY AUDITORS:**

M/s U.K.Mahapatra&Co.	M/s Deloitte Haskins & Sells
Chartered Accountants	Chartered Accountants
#237, 2 <sup>nd</sup> Floor, Bapuji Nagar,	3rd Floor, Gowra Grand
Bhubaneswar,Sardar Patel Road, Secunderabad,	
Orrissa – 751009Andhra Pradesh - 500003.	

**SOLICITORS /ADVOCATES:**

M/s Sarthak Advocates & Solicitors

<b>Registered Office:</b>	<b>Corporate Office:</b>	<b>Regional Office:</b>
Plot No.237,2 <sup>nd</sup> Floor	# 304-O, Road No 78,	A - 102 Sector - 65
Bapujinagar	Filmnagar, Jubilee Hills,	Noida - 201307
Bhubaneswar	Hyderabad	UttarPradesh
Orrissa- 751 009	Andhra Pradesh-500 033	India.– 110 019

**Registrars and Transfer Agents**

M/s Karvy Stock Broking Limited  
46, Avenue-4, Street No 1,  
Banjara Hills,  
Hyderabad, Andhra Pradesh – 500 034

### Bankers/ Lenders list

State Bank of India	Bajaj Auto Finance Ltd
State Bank of Hyderabad	Canara Bank
State Bank of Mauritius	Central Bank of India / edlewise
State Bank of Travancore	Dhanalakshmi Bank
State Bank of Bikaner & Jaipur	India Bulls Financial Services Ltd
South Indian Bank	I FCI Ltd
Standard Chartered Bank	Indusind Bank Ltd
Siemens Financial Services Pvt Ltd	Kotak Prime Ltd.
Shriram Equipment Finance Co Ltd	Kotak Mahindra Bank Limited
SREI Equipment Finance P Ltd	KarurVysa Bank
Yes Bank Limited	L&T Infra Finance Ltd
ICICI Bank	Magma Finance Limited
Export Import Bank of India	Oriental Bank of Commerce
Corporation Bank	Punjab National Bank
Axis Bank Limited	Phoenix ARC- HDFC
Andhra Bank	Reliance Capital Limited
Aditya Birla Corporation	Tata Capital Ltd
Bank of Maharashtra	Tata Motors Finance Limited
Bank of Baroda	IDFC Ltd
Bank of Bahrain and Kuwait	IDBI Bank

## NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of Members of Coastal Projects Limited will be held on Wednesday, the 23<sup>rd</sup> December, 2015 at 11.30 a.m. at Hotel Mayfair Lagoon, 8-B, Jayadev Vihar, Bhubaneswar, Orissa- 751009 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt
  - (a) The audited Balance Sheet as at 31<sup>st</sup> March 2015 and Statement of Profit and Loss for the year ended as on that date together with the Reports of the Directors and the Auditors thereon.
  - (b) The audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March 2015.
2. To appoint a Director in the place of Mr. N.Sridhar, Director (DIN. 06549014), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary resolution**:

#### **Ratification of appointment of Auditors and fix their remuneration.**

To ratify the appointment of M/s. U K Mahapatra & Co, Chartered Accountants bearing firm Regn No: 032039E as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 21<sup>st</sup> Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### Special Business:

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

**“Resolved that** pursuant to Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and Companies (Prospectus and Allotment of Securities) Rules, 2014 (as amended), in accordance with the Articles of Association of the Company, and with the consent of investors as per the restated investment agreement dated 24<sup>th</sup> December 2009 and subject to such conditions and modifications as may be considered appropriate to the Board of directors of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company for the purposes enabling of



repayment of Rs 212,00,00,000/- (Rupees Two Hundred and Twelve Crores Only) to the Lenders (defined hereunder) be and are hereby authorized to offer, issue and allot 21,20,00,000 (Twenty One Crores Twenty Lakhs only) number of Equity Shares having a face value of Rs. 10 each, to the following subject to the confirmation to be received from the concerned banker/lender to convert debt into equity.

S. N o.	Lenders	Total Exposure as on 25.07.2015	Exposure %	Conversion Amount	No. of shares	Share holding
1	State Bank of India Corporate Accounts Group Branch at "Ozone", 2nd Floor, #6-3-669, Punjagutta Main Road, Hyderabad-500082	708.53	12.20%	25.86	2,58,57,505	7.14%
2	State Bank of Hyderabad Industrial Finance Branch, "Topaz" Building, Amrutha Hills, Punjagutta, Hyderabad- 500 082	417.21	7.18%	15.23	1,52,25,967	4.20%
3	State Bank of Travancore Vayudhoot Chambers, Trinity Junction, M.G. Road, Bangalore – 560001	297.05	5.11%	10.84	1,08,40,760	2.99%
4	State Bank of Bikaner & Jaipur Commercial Branch, 239 P D'Mello Road, Near GPO, Mumbai – 400001	19.22	0.33%	0.70	7,01,410	0.19%
5	Axis Bank 6-3-879/B, Greenlands Road, Begumpet, Hyderabad-500 016	520.64	8.96%	19.00	1,90,00,617	5.24%
6	Oriental Bank of Commerce Large Corporate Branch, Plot No.1271, Road No.63, jubilee hills, Hyderabad 500033	231.32	3.98%	8.44	84,41,961	2.33%
7	Punjab National Bank No. 28, 2 <sup>nd</sup> Floor, Centenary Building, M G Road, Bangalore – 560001	605.16	10.42%	22.09	2,20,85,152	6.09%
8	IDBI Bank Specialised Corporate Branch, 5-9-89/1, Chapel Road, Hyderabad 500 001	277.36	4.77%	10.12	1,01,22,179	2.79%
9	Corporation Bank Corporation Bank Large Corporate Branch Office, Plot No.8, 2nd Floor, Film Nagar, Hyderabad-500 033	93.37	1.61%	3.41	34,07,513	0.94%
10	ICICI Bank ICICI Bank Towers, Commercial Banking, Level 1, West Wing Begumpet, Hyderabad-500 016	680.53	11.71%	24.84	2,48,35,760	6.85%
11	Bank of Baroda CORPORATE FINANCIAL SERVICES HYDERABAD Branch, 3-6-262/2, Tirumala Estates, 1st Floor, Himayatnagar, Hyderabad – 500 029	56.54	0.97%	2.06	20,63,558	0.57%
12	Andhra Bank Specialised Corporate Finance Branch The Belvedere 6-3-891, Ground Floor, Rajbhavan Road, Somajiguda, Hyderabad-500 082	98.69	1.70%	3.60	36,01,519	0.99%
13	Canara Bank Prime Corporate Branch, T S R Complex, 1-7-1, S P Road, Secunderabad-500003	102.69	1.77%	3.75	37,47,644	1.03%
14	South Indian Bank Corporate Branch, 6-3-1085/D/G1, Dega Towers,	197.71	3.40%	7.22	72,15,337	1.99%



	Somajiguda, Hyderabad, Andhra Pradesh 500 082					
15	Bank of Maharashtra Sultan Bazar, Hyderabad	162.43	2.80%	5.93	59,27,839	1.64%
16	SREI Equipment Finance P Ltd 2 <sup>nd</sup> Floor, Stamford park, Door no 8-2-269/4/B, Road No. 2, Banjara Hills, Hyderabad - 34	249.26	4.29%	9.10	90,96,588	2.51%
17	Indusind Bank Ltd No.8-2-277/3 & 3A, Laxmi Plaza, Banjara Hills Hyderabad – 500034	57.20	0.98%	2.09	20,87,499	0.58%
18	KarurVysa Bank Secunderabad Branch, 5-2-176,R.P Road Secunderabad	33.55	0.58%	1.22	12,24,398	0.34%
19	EXIM Bank Golden Edifice, 2nd Floor, 6-3-639/640, Khairatabad Circle,	149.08	2.57%	5.44	54,40,635	1.50%
20	L&T Infra Finance Ltd 1355A, Road No 45, Above HDFC Bank, Jubilee Hills, Hyderabad – 500033	187.40	3.23%	6.84	68,39,113	1.89%
21	Tata Capital Ltd Plot 3,4,5,6 Auto Plaza Road No.3 (Opp Times of India), Banjarahills, Hyderabad - 500 034	112.39	1.93%	4.10	41,01,806	1.13%
22	State Bank of Mauritius 6-3-1090, TSR Towers, Near HDFC Bank, Raj Bhavan Rd, Lumbini Classic Apartment, Somajiguda, Hyderabad	19.10	0.33%	0.70	6,97,049	0.19%
23	IFCI Limited Taramandal Complex, 8 <sup>th</sup> Floor, 5-9-13, Saifabad, Hyderabad-500004	101.11	1.74%	3.69	36,89,982	1.02%
24	ING Vysya (now changed to Kotak Mahindra Bank)	58.50	1.01%	2.13	21,34,942	0.59%
25	Dhanalakshmi Bank Trend Towers, Ground Floor 8-2-289/10, Road No.2 Banjara Hills, Hyderabad, Andhra Pradesh – 500034	0.63	0.01%	0.02	22,992	0.01%
26	Standard Chartered Bank	70.46	1.21%	2.57	25,71,419	0.71%
27	Bank of Bahrain and Kuwait	5.63	0.10%	0.21	2,05,465	0.06%
28	Kotak Mahindra Prime	0.05	0.00%	0.00	1,825	0.00%
29	Kotak Mahindra Bank	33.88	0.58%	1.24	12,36,442	0.34%
30	YES Bank	10.13	0.17%	0.37	3,69,692	0.10%
31	Aditya Birla Corporation	64.18	1.10%	2.34	23,42,232	0.65%
32	Phoenix [ARC]	23.99	0.41%	0.88	8,75,509	0.24%
33	Siemens	12.77	0.22%	0.47	4,66,038	0.13%
34	Shriram Equipment Finance Co Ltd	10.20	0.18%	0.37	3,72,246	0.10%
35	Bajaj Auto Finance Ltd.	2.10	0.04%	0.08	76,639	0.02%
36	India Bulls Financial Services Ltd		0.05%			0.03%



		2.67		0.10	97,441	
37	Magma Finance Limited	1.22	0.02%	0.04	44,524	0.01%
38	Reliance Capital Limited	0.50	0.01%	0.02	18,247	0.01%
39	Tata Motors Finance Limited	7.67	0.13%	0.28	2,79,915	0.08%
40	Central Bank of India (Edelweiss)	77.35	1.33%	2.82	28,22,868	0.78%
41	IDFC (Debentures)	49.59	0.85%	1.81	18,09,774	0.50%
	Total	5,809.06	100.00%	212.00	21,20,00,001	58.50%

**Resolved further that** Mr. G.Hari Hara Rao, Managing Director and/or Mr. N.Sridhar, Director the Company be hereby authorized to do all needful actions and digitally sign the Form to file with the Registrar of Companies Orissa."

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

**"Resolved that** pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014(including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Jagadeesh Babu & co., Cost Accountants,(Firm Registration No. 102469) who was appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2014-15, amounting to Rs.50,000/- (Rupees fifty thousand only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

**"Resolved that** pursuant to the provisions of Section 140 of the Companies Act, 2013 and other applicable provisions of the Act, if any, including any statutory modifications, amendments or re-enactments thereof, consent of the Company be and is hereby accorded the resignation of M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory auditor of the company.

**Further Resolved that** any of the Board of Directors be and is hereby authorized to take such steps in relation to the above and to do all such acts and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By Order of the Board  
**For Coastal Projects Limited**

**N.Varalakshmi**  
Company Secretary

Hyderabad, 25<sup>th</sup> November, 2015



## **NOTES**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is set out in the notice is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of him/her and such proxy need not be a member of the company. The proxies to be effective, should be duly stamped, completed, signed and deposited at the registered office of the company or its registrar and share transfer agent not less than forty eight hours before the commencement of meeting.
3. Members/proxies should produce at the entrance of the venue duly filled attendance slip for attending the meeting.
4. M/s Karvy Computershare Private Limited (Karvy) is the Registrar and Transfer Agent of the Company. Karvy is also the depository interface of the Company with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL).





## Explanatory statement

(Pursuant to section 102(1) of the Companies Act, 2013)

### Item No. 4

As members are aware that the Company's fund and non-fund based facilities amounting to Rs 4,435 Crore was restructured under the Corporate Debt Restructuring Scheme on March 29, 2014.

Though the package was implemented, the recovery of the company is taking additional time due to the following:

- Being a construction company, dependence for performance on external factors is much higher than manufacturing companies. High degree of support from lenders for additional LC/ BG/ CC has not been forthcoming on timely basis.. This is despite resolution at various senior level lenders meetings.
- Inordinate delay in realization of receivables (viz. NPCC, BMRCL, etc.)
- Delay in kick-starting of AP& Telangana projects

As the company was requesting the lenders for long term solution, RBI has come out with a circular dated 8<sup>th</sup> June 2015 providing conversion of debt to equity under the Strategic Debt Restructuring (SDR) Scheme, the guidelines require minimum of 51% shareholding of lenders to invoke SDR. This standstill clause for asset forbearance will be applicable for 18 months from the reference date (25/07/2015).

Accordingly, SBI, the monitoring of institutes proposed conversion of debt into equity share of the company and Company proposes to allot equity shares at par value to lenders who have provided their consent for such conversion.

Macroeconomic scenario has not improved substantially, where in both central and state govts have to make decisions of project execution.

Broad allocation of funds by the central & state govts to the projects executed by the company is also not substantial, which has hampered the progress of the work.

None of the directors or other key managerial personnel or a relative of any director or key managerial personnel is interested in the above resolution.

The Board therefore recommends the passing of the above resolution as Special Resolution.

### Item No. 5

The Board of Directors of the Company appointment M/s Jagedeesh Babu & co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2015.



In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2014-15 as set out in the Resolution for the aforesaid services to be rendered by them.

None of the directors or other key managerial personnel or a relative of any director or key managerial personnel is interested in the above resolution.

The Board therefore recommends the passing of the above resolution as Ordinary Resolution.

#### **Item No. 6**

The Board of Directors of the Company received resignation letter dated 24<sup>th</sup> November from M/s Deloitte Haskins & Sells, Chartered Accountants expressing their unwillingness to continue as statutory auditors from next financial year onwards due to their preoccupation.

None of the directors or other key managerial personnel or a relative of any director or key managerial personnel is interested in the above resolution.

The Board therefore recommends the passing of the above resolution as Ordinary Resolution.



## DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the **20<sup>th</sup> Annual Report** on the Progress of the Company together with the Audited Accounts for the year ended **31<sup>st</sup> March 2015**.

### **FINANCIALS:**

#### **A. Standalone**

*The key financials are as per table below:*

*Rs. in Millions*

Particulars	FY 2014-2015	FY 2013-2014
Operational Income	13,491.12	14,475.35
Other Income	192.38	396.70
Operational expenditure	10,722.64	12,218.36
<b>EBITDA</b>	<b>2,960.86</b>	<b>2,653.69</b>
Interest & Finance Charges	5,204.53	4,147.31
Depreciation	2,220.75	1,983.33
<b>PBT</b>	<b>(4,464.42)</b>	<b>(3,476.95)</b>
Tax	(554.06)	(744.73)
<b>PAT</b>	<b>(3,910.36)</b>	<b>(2,732.22)</b>
Net Cash Accruals	(1,689.60)	(1,686.90)
<b>EBITDA %</b>	<b>21.94</b>	<b>18.33</b>
<b>PAT %</b>	<b>(28.98)</b>	<b>(25.36)</b>

- a) **Revenue from Operations:** There has been a significant decline of 39.23% in the Revenue from Operations of the company from Rs 22,203.20 Million for FY 15 as in CDR projections to Rs. 13,491.12 Million in FY 15 being the actual turnover. This reduction was mainly due to delay in execution of some of the projects for want of various government/environmental clearances, geological conditions, technical problems in TBMs, delays in getting approvals from clients for change of scope of works and other related issues. Further, award of new orders got affected due to sluggish growth in infrastructure sector. As a result, there was a delay in effective implementation of the CDR Package by one quarter. By the time, the package was implemented; it was already monsoon season during which construction activity could not be carried out as efficiently, hence the Company effectively lost six months of revenue (vis-a-vis CDR estimates). Further as there was no new order built up during the year, the revenue estimate from the new orders couldn't be achieved. On YoY basis, the decline in revenue is to the extent of 6.30%.


**b) EBITDA Margin:**

Operational expenditure declined by 12.24 per cent from Rs 12,218.36 Crore during FY-2014 to Rs 10,722.64 Crore during FY-2015 primarily due to better management at site and the activities performed at the site during the year.

As a result, EBITDA margins improved marginally from 18.33 % in FY 14 to 21.89 % in FY 15.

**c) PAT Margin:**

The Company's profitability and internal cash accrual generation were impacted due to lower turnover and increased interest expenses and Depreciation.

- The Company's interest expenses increased due to increase in fund based exposure on account of unexpected invocation of BGs by the client.
- On account of above factors, profit generation was not in line with CDR estimates.

**d) Interest Cost:**

Higher interest cost due to increased debt on account of invocation and conversion of NFB to FB limits and other penal charges for delayed payments.

**e) Depreciation:**

Due to change in method of depreciation, as given in companies Act, 2013, there was higher charge of depreciation during the year.

**Consolidated financial statements**

In compliance with the provisions of the Companies Act, 2013 and the Accounting Standards AS-21 and AS-27 on consolidated financial statements, read with the Accounting Standard AS-23 on Accounting for Investments in Associates, attaching the consolidated financial statements for the financial year ended March 31, 2015, which forms part of the Annual Report.

**OPERATIONAL PERFORMANCE**

The company has undertaken the following major projects:

Sl.No	Name of the Work	Value of the Work (Millions)
1	J-Chokkarao Devadula - Lift Irrigation Scheme - Phase - III Package no. 2 & 3 Andhra Pradesh	13265.60
2	NF Railway - Maligaon, Manipur	33964.20.
3	Lower Kalnai	4020.00
4	Sleemabad Carrier Canal - Bargi Right Bank Canal, Madhya Pradesh	8000.00
5	Bangalore Metro Railway Tunneling Project, Karnataka	6212.67
6	BMRCL Underground Majestic station works	2949.40
7	Pula Subbaiah Veligonda project - Tunnel - 2, Andhra Pradesh	7940.10
8	Lift Irrigation Scheme at Manchippa -Pranahita Chevella - Andhra Pradesh	5423.30



9	Garudeshwar Weir	3013.30
10	SLBC-AMRP	1573.50
	<b>TOTAL</b>	<b>66247.49</b>

The Company was awarded the following new projects:

Sl.No	Project Details	Contract Value Rs In (Millions)
1	Aliraj Pur	446.50
2	Bilgaon	165.10
3	Teonthar	614.50
4	Devendra Anicut	432.50
	<b>TOTAL</b>	<b>1658.30</b>

### **CORPORATE DEBT RESTRUCTURE/STRATEGIC DEBT RESTRUCTURING.**

As members are aware that the Company's fund and non-fund based facilities amounting to Rs 4,435 Crore was restructured under the Corporate Debt Restructuring Scheme on March 29, 2014. Though the package was implemented, the recovery of the company is taking time due to external and internal reasons and stressed phase of infrastructure industry. Company with the consent of the majority lenders converting its debt into equity shares under the Strategic Debt Restructuring (SDR) Scheme of RBI circular, guidelines require minimum of 51% shareholding of lenders to invoke SDR.

### **DEBENTURES:**

Members are aware that the Company had Compulsory Convertible Debentures to the tune of Rs. 1000 million i.e,

#### **a) 14.38% Compulsory Convertible Debentures**

1000 Compulsorily Convertible Debentures ("CCDs") of face value of Rs 1,000,000 each carrying a coupon rate of 14.38% were issued to IDFC Limited ("IDFC") during 2010-11, which was secured by the promoters by pledge of 3,385,939 equity shares which were invoked and adjusted for an amount of Rs 670 million by invocation of the pledge.

### **DIVIDEND**

Your directors have not recommended any dividend for the financial year 2014-15.

### **TRANSFER TO RESERVES**

During the year, no amount has been transferred to general reserves.



## **MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors met Sixteen times during the year 2014-15. The following are the dates on which the Board Meetings were held:

- |                                     |                                      |
|-------------------------------------|--------------------------------------|
| 1. 30 <sup>th</sup> June 2014,      | 9. 30 <sup>th</sup> October 2014     |
| 2. 25 <sup>th</sup> July 2014,      | 10. 08 <sup>th</sup> November 2014,  |
| 3. 26 <sup>th</sup> August 2014,    | 11. 20 <sup>th</sup> November 2014,  |
| 4. 22 <sup>nd</sup> September 2014, | 12. 08 <sup>th</sup> December 2014,  |
| 5. 04 <sup>th</sup> October 2014,   | 13. 23 <sup>rd</sup> December 2014,  |
| 6. 08 <sup>th</sup> October 2014,   | 14. 28 <sup>th</sup> January 2015,   |
| 7. 15 <sup>th</sup> October 2014,   | 15. 05 <sup>th</sup> February 2015,  |
| 8. 25 <sup>th</sup> October 2014,   | 16. 16 <sup>th</sup> March, 2015 and |

SL .No	Name of the Director	DIN	Category	No of meetings attended
1	S.Surendra	00398152	Chairman	16
2	G.Hari Hara Rao	02240794	Managing Director	16
3	N.Sridhar	06549014	Director	16
4	Sharad Kumar	05187359	Director	12

(\* Sharad kumar appointed on 4<sup>th</sup> October, 2014 since then all the meetings attended)

## **PUBLIC DEPOSITS:**

Your Company has not accepted any deposits from the public, or its employees during the year under review.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**Conservation of energy:** The Company is taking all necessary steps to minimize energy consumption.

**Technology absorption:** Not applicable.

**Foreign Exchange Earnings and outgo:** As per Annual Accounts enclosed.

The particulars of foreign exchange earnings and outgo are given below:

(INR Million)

Particulars	2014-15	2013-14
Earnings	-	
Outgo		
- Imports	-	182.04
- Expenses	5.50	7.66
Investments	--	--

## **EXTRACT OF THE ANNUAL RETURN:**

The extract of the Annual Return pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in form MGT-9 is attached to the Directors' Report as *Annexure-1*.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors to the best of their knowledge and ability confirm that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the company for the year ended on that date;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and that such other systems were adequate and operating adequately.

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

Pursuant to Section 152 of the Companies Act, 2013 and rules framed there under, Mr.N.Sridhar, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

There has been no change in the composition of the Board of Directors and Key Managerial Personnel of the Company during the year under review.

Pursuit to the provisions of the Companies Act, 2013, Independent Directors and Women Director needs to be appointed on the Board. As the company is facing various litigations with the lenders, supplies and bankers no Independent or women directors are forthcoming to join on the Board of Directors.

## **PARTICULARS OF EMPLOYEES**

As required under the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the names and





other particulars of employees who draw remuneration in excess of the limits specified therein are as below.

Name of the employee	Ashok Joshi
Designation of the Employee	COO
Remuneration received	Rs.99,86,952/-
Nature of employment, whether contractual or otherwise	Regular
Qualifications and experience of the employee	B.Sc. Engineering (Civil)
Date of commencement of employment	September 4, 2009
The age of such employee	57 years
The last employment held by such employee before joining the company	President (Projects) Malana Power Co. Ltd.
The Percentage of equity shares held by the employee	Nil
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager.	No

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION.**

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules framed thereunder, the Board of Directors approved and adopted the Nomination and Remuneration Policy of your Company.

## **ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:**

The Company has eight subsidiaries, ten Joint Ventures and one Associate as on 31<sup>st</sup> March, 2015. There was no material change in the nature of the business carried on by the subsidiaries.

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies/ Associate Companies/ Joint Ventures is prepared in Form AOC-1 and is attached to the Financial Statements of the Company.

## **PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.



## RELATED PARTY TRANSACTIONS

Pursuant to section 188 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014. All related party transactions that were entered during the financial year were in the ordinary course of the business of the Company and were on arm's length basis. There were no materially significant related party transactions entered by the Company during the year with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

## CORPORATE SOCIAL RESPONSIBILITY

Company started voluntarily its CSR activities way back in the year 2011, committed to undertake activities of social relevance like health, education, safety and general welfare of the people living especially in interior backward areas of our country like Tripura, Kerala, Andhra Pradesh, Udaipur in Rajasthan etc.,

Now, pursuant to Section 135 of the Companies Act, 2013 and the criteria specified in the Section regarding Corporate Social Responsibility (CSR), Company has defined CSR activity which is set out at *Annexure 2*. The policy is available on the website of the Company.

The disclosure relating to the amount spent on Corporate Social Responsibility activities of the Company for the financial year ended 31st March 2015 is attached to this Report as *Annexure 3*.

## JOINT STATUTORY AUDITORS AND THEIR REPORT

The Joint Statutory Auditors of the Company viz., M/s. Deloitte Haskins & Sells, Chartered Accountants, and M/s. U.K. Mahapatra & Co., Chartered Accountants retire at the conclusion of this Annual General Meeting and M/s. Deloitte Haskins & Sells, statutory auditors tendered their resignation from the next financial year onwards due to their pre-occupation.

Further, M/s. U.K. Mahapatra & Co., Chartered Accountants have confirmed their eligibility and willingness to accept the office of Statutory Auditors, if reappointed to hold office from the conclusion of the this twentieth Annual General Meeting up to the conclusion of the twenty-first Annual General Meeting.

Explanation to the qualifications given in the Joint Statutory Auditors Report.

As per the agreement entered on 2<sup>nd</sup> August, 2012, between the Company, CTVL and Qinhuangdao Tianye Tolian Heavy Industry Co. Limited, China, ("Tolian") who has the controlling stake in SELI. Pursuant, to the terms of agreement, CTVL has the call option, which can be exercised between July 2013 to July 2016, to withdraw its investment in SELI at an agreed fixed price with a specified rate of return on its investment or fair

market value, whichever is higher. In the event the option is not exercised by CTVL, before July 2016, the Company, CTVL and Tolian, should re-negotiate, based on 31 July 2016 option price and same criteria should be used for the period of time, subsequent to the expiration date. In case of a dead lock, Tolian has an irrevocable right to acquire the shares held by CTVL at the option price or fair market value determined by an independent expert, whichever is higher. CTVL has not exercised the option to sell its investment to Tolian during the year, considering the long term business interests. The realisable value of the call option is higher than the carrying value of the investment held by CTVL in SELI as at 31 March, 2015.

The Company had applied for Corporate Debt Restructuring (CDR) and the same was approved by the CDR cell vide its approval letter dated 28 April, 2014. Loss incurred during the current year and in the previous year, was primarily due to lack of working capital resulting in delays in execution projects. Based, on the future projections, considered under the CDR Scheme which was taken on record by the Board of Directors and having regard to the present order book position, improvement of future cash flows and profitability, the Company expects to fully realise the deferred tax asset in the near future.

## **COST AUDITORS**

The Board has appointed M/s Jagadeesh Babu & co., Cost Accountants, (Firm Registration No. 102469) as Cost Auditors of the Company for the year 2015-16 for conducting the audit of cost records of the Company.

## **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Sec 204(1) of the Companies Act, 2013, the Company has appointed M/s.R&A Associates, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2015 is annexed herewith as *Annexure – 4* The Secretarial Auditor Report contains qualifications. This is due to the new Companies Act, 2013 few delays was there in complying.

## **VIGIL MECHANISM**

Your Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns and hosted on the website of the company pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.



## **POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORK PLACE**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, the Company has not received any complaints pertaining to Sexual Harassment.

## **SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report expect for the strategic debt restructuring which has been invoked by the lenders on 27th July 2015

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company is constantly endeavoring to improve the standards of internal control in various areas. The existing set up of internal control system is commensurate with the size of the company's operations and its nature of business. However, realizing the significance of the contribution that sound internal control systems can make to any organization, the Company is taking steps to further strengthen the internal control system.

## **INTERNAL AUDITORS**

The Board has appointed NMAH & Associates, Chartered Accountants, (Firm Registration No. 133288W) as Internal Auditors of the Company.

## **RISK MANAGEMENT**

The Company is in the process of establishing Enterprise Risk Management to manage risks with the objective of maximizing shareholders value. The business of the company depends on the changes in Government policy on infrastructure sector development.



## MANAGEMENT DISCUSSION AND ANALYSIS

Company being one of the pioneers and specialists in business of providing construction and EPC services across the country especially in underground tunnelling/excavation, metro, shafts etc.. It has the distinction of completing the projects undertaken by it in the time schedule laying emphasis on quality and executing the projects to the entire satisfaction of the clients.

Over the last 4 years, due to economic downturn the infrastructure sector in India has adversely affected. Thus, CPL like all other similar companies in the industry struggled with liquidity crunch and with their highly leveraged balance sheets, focused on operations control and generating cash flows to meet the short term obligations.

CPL also faced unforeseen circumstances and used debt financing for projects execution. The sudden, sharp and prolonged slowdown has resulted in the company's revenue and profit margin suffered due to slow order inflows, bottlenecks in execution, higher interest cost, delays in payments and realization of pending receivables from clients. Consequently, this has affected the top line and bottom line of the company and also could not service the debt. However, in this regard the company has successfully completed the Corporate Debt Restructuring (CDR) in FY 14, the package provides for moratorium to interest rate payments and readjustment of tenures for repayment of Term Loans (TL).

Though the package was implemented, the recovery of the company is taking additional time due to various reasons. In the meantime, RBI released a circular dated 8th June 2015 providing conversion of debt to equity under the Strategic Debt Restructuring (SDR) Scheme which requires minimum 51 percent of shareholding in the company. This option was discussed by the lenders and decided for invocation of SDR.

### Macroeconomic Review

The Indian economy in 2014-2015 has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among the others. On the demand side, the Indian GDP growth stood at 7.3% in FY 15 against 6.9% in FY 14. Industry growth increased to 5.9%.

However, concerns surrounding construction and mining activities in the country still exist. Agriculture sector also suffered due to poor monsoon. The growth in capital formation was increased from 3% in FY 14 to 4.1% in FY 15.

Overall, the macroeconomic situation in India has improved significantly during FY 15. Also, in light of the new government's commitment to reforms and rolled out initiatives including easing of FDI norms for construction, Railways, and Defence and providing

incentives to promote Real estate investments and Infrastructure Investments trusts. The outlook for domestic macroeconomic parameters is generally optimistic and a growth around 8.5% is in the realm of possibility in FY 16.

### **CPL Key Developments**

The Company has completed over 100 Km tunnel works and it is presently executing about 350 Km tunnel works in India. The Company has a gross fixed asset of about Rs 1,500Crore as on March 31, 2015, viz., TBM, excavators/ boomers, jack hammers, welding machines, launching girders, crushers, ready mix concreting plants and general equipment.

During the financial year under review, the company bagged new order worth of Rs 165Cr. and cumulatively executed the projects worth 6,233 Cr till date. As on 31st Mar'15, the balance Order book of the company stood at 9110.61Cr.

The Company finished and handed over tunnels in NF railway and also got appreciation letter from client on achieving a rare target of 200 mtr in a month by adopting NATAM method. The company has closed few projects on mutual settlement with client and these efforts have helped company from financially stressed projects from order backlog and also released some capital.

### **SUCH OTHER MATTER:**

#### **AUTHORIZED SHARE CAPITAL:**

During the year, the Company has increased its Authorized Share Capital from Rs. 25 Crores to Rs.750 Crores classified as:

- (a) The Equity Capital of Rs. 600,00,00,000 /- (Rupees Six Hundred Crore only) divided into 60,00,00,000 (Sixty Crore only) Equity shares of Rs 10/- (Rupees Ten Only) each.
- (b) The Preference Share Capital of Rs.150,00,00,000 /- (Rupees One hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore only) of Rs 10/- (Rupees Ten Only).

### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for and gratitude to various departments and undertakings of the Central and State Governments, Banks, Financial Institutions and valued customers, for their valuable support and co-operation and also wish to place on record their wholehearted appreciation for continued support extended by the Shareholders and Investors, which has always been a source of strength for the Company.

For and on behalf of the Board  
**For Coastal Projects Limited**

Place: Hyderabad

Date: 25<sup>th</sup> November, 2015

**S.Surendra**  
**Chairman**


**Annexure - 1**

<b>FORM NO. MGT 9</b>					
<i>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</i>					
<b>EXTRACT OF ANNUAL RETURN</b>					
<b>As on the financial Year ended 31/03/2015</b>					
<b>I</b>	<b>REGISTRATION &amp; OTHER DETAILS:</b>				
i	CIN	U45203OR1995PLC003982			
ii	Registration Date	01.05.1995			
iii	Name of the Company	COASTAL PROJECTS LIMITED			
iv	Category of the Company	PUBLIC COMPANY			
v	<b>Address of the Registered office &amp; contact details</b>				
	Address :	237, Bapuji Nagar, 2nd Floor, - 751009 Bhubaneswar , Orissa, INDIA			
	Telephone (with STD Code) & fax	0674 -6942656 , 0674 - 2597956			
	Email Address :	<a href="mailto:cs@coastalprojects.co.in">cs@coastalprojects.co.in</a>			
	Website, if any:	<a href="http://www.coastalprojects.co.in">www.coastalprojects.co.in</a>			
vi	Whether listed company	NO			
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>				
	Karvy Stock Broking Limited 46, Avenue-4, Street No 1, Banjara Hills, Hyderabad ,Telangana -500034				
<b>II</b>	<b>PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY</b>				
	All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-				
<b>Sl. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product / service</b>	<b>% to total turnover of the company</b>		
1	Construction & Civil Engineering	41001, 41002, 42101, 42201, 42204	100%		
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>				
<b>S. No.</b>	<b>NAME AND ADDRESS OF THE COMPANY</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY /ASSOCIATE</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1	Grandeur Power Projects Pvt Ltd	U40300UP2010PTC042937	Subsidiary	100	Sec 2 (87)
2	Badao Hydro Power Pvt Ltd	U40300UP2011PTC043279	Subsidiary	100	Sec 2 (87)
3	Para Hydro Power Pvt Ltd	U40300UP2011PTC043280	Subsidiary	100	Sec 2 (87)
4	Rebby Hydro Power Pvt Ltd	U40300UP2011PTC043281	Subsidiary	100	Sec 2 (87)



5	Jalpower Corporation Limited	U40109TG2004PLC043985	Subsidiary	51.18	Sec 2 (87)
6	Ujjawala Power Pvt Ltd	U40101DL2010PTC208285	Subsidiary	99.99	Sec 2 (87)
7	Coastal Lanka Pvt Ltd	PV 71774	Subsidiary	100	Sec 2 (87)
8	Coastal Transnational Ventures (CY) Limited	HE276067	Subsidiary	100	Sec 2 (87)
9	NepalJalabidyutPravardanTathaBikash Limited		Associate	41	Sec 2 (87)

#### IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity):

##### Category-Wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	8283935	-	8283935	43.23	8283935	-	8283935	43.23	-
e) Banks / FI									
f) Any Other....									
<b>Sub-total (A) (1):-</b>	<b>8283935</b>	<b>-</b>	<b>8283935</b>	<b>43.23</b>	<b>8283935</b>	<b>-</b>	<b>8283935</b>	<b>43.23</b>	<b>-</b>
(2) <b>Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....	6452075		6452075	33.67	6452075		6452075	33.67	-
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>-</b>			<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>
<b>B. Public Shareholding</b>	4427458	-	4427458	23.10	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>19163468</b>		<b>19163468</b>	<b>100</b>	<b>19163468</b>		<b>19163468</b>	<b>100</b>	<b>-</b>




**(ii) Shareholding of Promoters**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1.	S.Surendra	4248687	22.17		4248687	22.17		-
2.	S.Papayya	645753	3.37		645753	3.37		-
3.	S.Santhisree	2848895	14.87		2848895	14.87		-
4.	G.Hari Hara Rao	455000	2.37	43	455000	2.37	43	
5.	N.Swaroop Rani	41799	0.22		41799	0.22		
	Total	8240134	43		8240134	43		-

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change		No Change	
3	At the End of the year				

**(iv) Shareholding Pattern of top ten Shareholders**

Name of the Shareholders	No of Shares	Per cent
Mr. S. Surendra	4,248,687	22.17
Mr. S. Papayya	645,753	3.37
Mrs. S. Santhi Sree	2,848,894	14.87
L&T Infrastructure Finance Company Limited	657,771	3.43
IDFC	3,385,940	17.67
Multiconsult Trustees Limited	1,680,652	8.77
Sequoia Capital India Growth Investment Holdings 1	1,084,523	5.66
Sequoia Capital India Growth Investment 1	514,358	2.68
Baring Private Equity Asia IV Mauritius Holdings (2) Limited	2,222,026	11.60
Deutsche Bank AG	506,111	2.64




**(v) Shareholding of Directors and Key Managerial Personnel:**

	<b>No of Shares</b>	<b>Per cent</b>
Mr. S. Surendra	4,248,687	22.17
Mr. G.Hari Hara Rao	455,000	2.37

**V.INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In millions )

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	32,796.50			32,796.50
i) Principal Amount	101.57	-	-	101.57
ii) Interest due but not paid	3.21			3.21
iii) Interest accrued but not due			-	
Total (i+ii+iii)	32,901.28	-	-	32,901.28
Change in Indebtedness during the financial year				
Addition				
Reduction				
<b>Net Change</b>				
Indebtedness at the end of the financial year				41,928.50
i) Principal Amount	41,841.13	87.37		168.53
ii) Interest due but not paid	168.53			138.72
iii) Interest accrued but not due	138.72			
Total (i+ii+iii)	42,148.38	87.37		42,235.75

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl.No	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit	--	--	--



	- others, specify...			
5.	Others, please specify	--	--	--
	Total (A)			
	Ceiling as per the Act			

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name Independent/Non Executive Directors	Total Amount
1.	Independent Directors ● Fee for attending board / committee meetings ● Commission ● Others, please specify	No Managerial Remuneration has been paid.	
	Total (1)		
2.	Other Non-Executive Directors ● Fee for attending board / committee meetings ● Commission ● Others, please specify (Consultancy Charges)		
	Total (2)		
	Total (B)=(1+2)	No Managerial Remuneration has been paid.	

Note: Board of directors not drawing any remuneration.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

(Rupees)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	1646565.00	---	1646565.00
			7200.00	---	7200.00
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--	--
5.	Others, please specify (Consultancy Charges)	--	--	--	--
	Total (c)	--	1653765.00	--	1653765.00


**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (giveDetails)
A. Company : Nil					
B. Directors : Nil					
C. Other Officers in Default : Nil					

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1.	Details of contracts or arrangements or transactions not at arm's length basis: a) Name(s) of the related party and nature of relationship b) Nature of contracts/arrangements/transactions c) Duration of the contracts / arrangements/transactions d) Salient terms of the contracts or arrangements or transactions including the value, if any e) Justification for entering into such contracts or arrangements or transactions date(s) of approval by the Board f) Amount paid as advances, if any: g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.	<b>Not Applicable</b>
2.	Details of material contracts or arrangement or transactions at arm's length basis (a) Name(s) of the related party and nature of relationship: (b) Nature of contracts/arrangements/transactions: (c) Duration of the contracts / arrangements/transactions: (d) Salient terms of the contracts or arrangements or transactions including the value, if any: (e) Date(s) of approval by the Board, if any: (f) Amount paid as advances, if any: Form shall be signed by the persons who have signed the Board's report.	<b>Not Applicable</b>

**Annexure –2****CSR POLICY OF THE COMPANY****1. Preamble:**

This policy which encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the welfare & sustainable development of the community at large, is titled as the Coastal Projects Limited Corporate Social Responsibility Policy herein referred as ('CPL CSR Policy').

In accordance with the requirements of the Companies Act, 2013 ("The Act") our (CSR) policy is enunciated herein.

**2. CSR Vision :**

The core theme of the Company's CSR policy is giving back to the society from which it draws its resources by extending helping hand to the needy and the underprivileged.

Corporate Social Responsibility is the commitment of business to contribute for sustainable economic development. It is the contribution of the corporate sector for philanthropic causes like poverty and health care, education, rural development, environment and community welfare, measures for the benefit of armed forces and Disaster

In alignment with vision of the company, through its CSR initiatives will continue to enhance value creation in the society, through its services, conduct & initiatives, so as to promote sustained growth of the society, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

**3. Scope of the CSR Activities:**

The Scope of the CSR activities pursuant to the provisions of Schedule VII of the Companies Act, 2013 are:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. Promotion of education including special education and employment enhancing vocational skills especially to children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other 3 facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;



- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. Contribution to the prime minister's national relief fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contribution or funds provided to technology incubators located within academic institutions which are approved by the central government; and
- x. Rural development projects.

#### **4. CSR Activities / objects:**

The CSR Committee of the Company has identified the following three (3) primary areas for implementing the CSR project.

- a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b) Promotion of education including special education and employment enhancing vocational skills especially to children, women, elderly and the differently abled and livelihood enhancement projects;
- c) Measures for the benefit of armed forces veterans, war widows and their dependents;
- d) Contribution to the prime minister's national relief fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- e) Rural development projects.

#### **5. Implementation Of CSR Projects:**

The Company may decide to undertake its CSR activities directly or through a Registered Trust or a registered society or a company established by the company under section 8 of the Act. Provided that:

- (a) If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;



(b) The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programs.

#### **6. Resources / Budget:**

1. For achieving the CSR objectives of the Company, the Company will allocate, in every financial year, 2% of its average net profits calculated as per the provisions of the Section 198 of the Companies Act, 2013 made during the three (3) immediately preceding financial years as its annual CSR budget.
2. The Annual CSR Budget shall be spent on activities laid down in this CSR Policy.
3. CSR expenditure shall include all expenditure including contribution to corpus of flagship projects, projects or programs relating to CSR Projects as per CSR policy, but does not include any expenditure on an item not in conformity with the CSR Policy.
4. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

#### **7. Organisational Mechanism And Commitment:**

1. **Board:** All the CSR initiatives of the Company will form part of the Directors' Report as per the format provided in the Act.
2. **CSR Committee:**

The CSR committee shall

- formulate and recommend to the Board a CSR policy
- Recommend the amount of Expenditure to be incurred
- Monitor the Company's CSR policy and performance
- Review the CSR Projects from time to time

In consistent with the above, The Composition of the CSR Committee is as below:

Sl.No	Name of the member	Designation
1.	G.Hari Hara Rao	Managing Director
2.	N.Sridhar	Director and Chairman of CSR Committee
3.	Sharad Kumar	Director

#### **REVIEW:**

In case of any doubt with regard to any provision(s) of the policy, a reference can be made to CSR Committee of Board of Directors. In all such matters, the interpretation & decision of the CSR committee of the Board of Directors shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time. The Board will review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.


**Annexure –3**
**Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014**

- (1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes and company's focus areas would be:
- Poverty and Health care
  - Education
  - Rural Development
  - Measures for the benefit of armed forces.
  - Disaster

- (2) The Composition of the CSR Committee.

Sl.No	Name of the member	Designation
1.	G.Hari Hara Rao	Managing Director
2.	N.Sridhar	Director and Chairman of CSR Committee
3.	Sharad Kumar	Director

- (3) Average net profit of the company for last three financial years

Year	Profit/Loss (in Millions)
2011-2012	1,023.25
2012-2013	360.76
2013-2014	(2,732.22)

Average net profit of three preceding years is negative.

- (4) Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)  
**Not Applicable**, as the average net profit three preceding years is negative.

- (5) Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year: **Not Applicable**  
 (b) Amount unspent, if any: **Not Applicable**



(c) Manner in which the amount spent during the financial year is detailed below

S. N	Particulars	(1)	TOTAL
(1)	CSR project or activity identified		
(2)	Sector in which the project is covered	a. Poverty and Health care b. Education c. Rural Development d. Measures for the benefit of armed forces e. Disaster	
(3)	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	-----	
(4)	Amount outlay (budget project or programme wise)	Not Applicable	
(5)	Amount spent on the project or programmeSub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Not Applicable	
(6)	Cumulative expenditure up to the reporting period	-----	
(7)	Amount Spent direct or through implementing agency	-----	

\*Give details of implementing agency:

The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

Sd/- G.Hari Hara Rao Managing Director	Sd/- N.Sridhar Director and Chairman of CSR Committee	Sd/- Sharad Kumar Director
--	--	----------------------------------



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

***[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]***

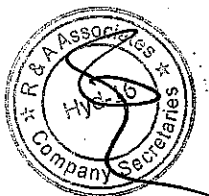
To,  
The Members,  
Coastal Projects Limited,  
Plot No 237, 2nd Floor, Bapuji Nagar,  
Bhubaneswar, Khurda, Orissa,  
India - 751009.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Coastal Projects Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the Company during the Audit Period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): –



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the Audit Period);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Company during the Audit Period);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28<sup>th</sup> October 2014; (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the Audit Period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).
- (vi) The company has identified the following laws as specifically applicable to the Company:
1. *The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the "Construction Workers Act").*
  2. *Inter-state Migrant Workers Act, 1979.*
  3. *Contract labour (Regulations and abolition) Act, 1970 and rules made thereunder.*

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable to the Company during the Audit Period);



**(ii) The Listing Agreements entered into by the Company with Stock Exchanges  
 (Not applicable to the Company during the Audit Period);**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations / audit qualifications:

1. In few instances there were delays in filing of forms / returns with the Registrar of Companies beyond the due date. There were also some instances where the Company is yet to file forms and the delay has crossed 270 days as permitted under Section 403 of the Act.
2. As per Section 149 of the Companies Act, 2013, the Company is required to appoint Woman Director and the Independent Director(s). The Company is yet to comply this requirement. Accordingly, the composition of the CSR Committee, Audit Committee and Nomination and Remuneration Committees made by the Company are not in line with the provisions of Section 135, 177 & 178 of Companies Act, 2013. The Company has received a show cause notice from Registrar of Companies on 23rd June, 2015 for not appointing Woman director and the Company has given its reply on 27<sup>th</sup> July, 2015.
3. The Company during Financial Year 2014-15 had passed Special resolutions relating to (a) issue of 13,12,41,104 (Thirteen Crores twelve lakhs forty-one thousand one hundred and four only) Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each and (b) Increase of authorized capital in their Extra-Ordinary General Meeting held on 16<sup>th</sup> March, 2015 and has allotted 13,12,41,104 CCPS of Rs. 10/- each aggregating Rs. 131,24,11,040/- (Rupee One hundred thirty-one crores twenty-four lakhs eleven thousand and forty only) on preferential basis to Mr. S. Surendra, Promoter of the Company by way of a Board Resolution in its Board Meeting held on 16<sup>th</sup> March, 2015. However, the Company is yet to file the requisite Forms for these resolutions.
4. Pursuant to Section 158 of the Companies Act read with Companies (Registration Offices and fees) Rules, 2014, Company has not mentioned the Directors Identification Number, and address of the person signing the resolution extracts etc., filed with the Registrar of Companies.
5. Based on the representation given by the Company and the certificate dated 15<sup>th</sup> October, 2015 obtained from a Cost Accountant and produced to us, the Company is not covered under the scope of Cost Records & Audit Rules, 2014.
6. The Company has allotted 18,48,242 Compulsorily Convertible Preference Shares (CCPS) of Rs. 10/- to Blue Bird Pharma Holdings LLC USA in the Board meeting dated 29<sup>th</sup> March, 2014. The Company has filed the relevant Form FC-GPR with the Reserve Bank of India after the due date of 30 days.



We further report that;

The Board of Directors of the Company is duly constituted except that the Company is yet to appoint Women and Independent Directors on the board as required under the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except the filing of relevant Forms with the Registrar of Companies.

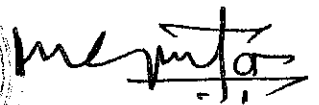
Adequate notice is generally given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are reasonable systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However, the company is required to improve the same for its adequacy.

We further report that the Company is under Corporate Debt Restructuring (CDR) / Strategic Debt Restructuring, the package provides for moratorium to interest rate payments and readjustment of tenures for repayment of outstanding term loans.

For and Behalf of  
M/s. R & A Associates



**R. Ramakrishna Gupta**  
Partner

FCS No.: 5523

C P No.: 6696

Technopolis, T 202,  
1-10-74/B, Begumpet,  
Hyderabad - 500016,  
Telangana, India

Date: 25<sup>th</sup> November, 2015

Place: Hyderabad

This report is to be read with our letter of even date, which is annexed as "Annexure - A" and forms an integral part of this report.

**"Annexure - A"**

To  
The Members,  
Coastal Projects Limited,  
Plot No 237, 2<sup>nd</sup> Floor, Bapuji Nagar,  
Bhubaneshwar, Khurda, Orissa,  
India - 751009.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of Coastal Projects Limited, ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied up on the information provided by the Management with respect to related party transactions for its compliance.

**For and Behalf of**

**M/s. R & A Associates**



*[Signature]*

**R. Ramakrishna Gupta**

**Partner**

**FCS No.: 5523**

**C P No.: 6696**

**Technopolis, T 202,  
1-10-74/B, Begumpet,  
Hyderabad - 500016,  
Telangana, India**

**Date: 25<sup>th</sup> November, 2015**

**Place: Hyderabad**

Deloitte Haskins & Sells  
Gowra Grand, III Floor  
1-8-384 & 385, Sardar Patel Road  
Begumpet, Secunderabad – 500 003

U.K.Mahapatra & Co  
237, Bapuji Nagar  
Bhubaneswar- 751 009

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
COASTAL PROJECTS LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **COASTAL PROJECTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's



preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

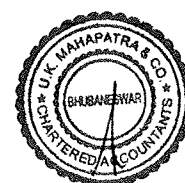
#### Basis for Qualified Opinion

- a) As stated in Note 42 to the financial statements, the deferred tax asset of ₹ 1,716.16 million (31 March, 2014: ₹ 1,138.05 million) has been recognized. In the absence of virtual certainty supported by convincing evidence, recognition of such deferred tax asset is not in accordance with Accounting Standard 22 "Accounting for Taxes on Income". Had such deferred tax asset not been recognised, loss after tax for the period would have been higher by ₹ 564.91 million (31 March, 2014: ₹ 719.72 million), and the balances in Reserves and Surplus, and Deferred Tax Assets as at 31 March, 2015 would have been lower by ₹ 1,716.16 million (31 March, 2014: ₹ 1,138.05 million).
- b) As stated in Note 39 to the financial statements, the Company has an investment of ₹ 401.97 million in Coastal Transnational Ventures (CY) Limited, Cyprus ("CTVL") (a wholly owned overseas subsidiary). Further, as stated in the said Note, the Company has also advanced share application money aggregating ₹ 266.67 million as at 31 March, 2015 and has an amount of ₹ 1029.90 million recoverable from this subsidiary towards a corporate guarantee that was given to a Bank on behalf of the subsidiary that was invoked by the Bank. The management of the Company has concluded that as at 31 March, 2015, no provision is required in respect of these balances for the reasons stated in the said Note 39. In the absence of sufficient appropriate evidence about the Company's ability to realise the carrying value of the aforesaid assets through the exercise of the option held by CTVL to realise its assets and meet its obligations to the Company, we are unable to comment on the carrying value of investment including share application money and the recoverability of the amounts due from this subsidiary and if any provision for diminution / impairment is required as at 31 March, 2015 to the carrying value of these assets.

#### Emphasis of Matter

- a) As stated in Note 3 of the financial statements, the Company has increased its authorised share capital and allotted compulsorily convertible preference shares to the Chairman/Director aggregating ₹ 7,500.00 million and ₹ 1,312.41 million respectively. The company is in the process of filing requisite statutory documents with the Registrar of Companies to give effect to the above changes.
- b) We invite attention to Notes 1 and 38 of the financial statements, relating to the invocation of the Strategic Debt Restructuring Scheme and expected financial support by the lenders for recommencement of the stalled projects, consequent to which these financial statements have been prepared on a going concern basis and no provision is considered necessary with respect to the amounts recoverable from stalled projects.

Our opinion is not qualified in respect of these matters.



**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March, 2015 and its loss and its cash flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

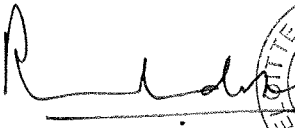
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
  - (e) The matters described in the Basis for Qualified Opinion paragraph above and in paragraph (b) of the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.






- (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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

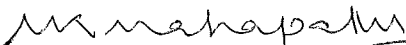
**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No. 008072S)

  
**M. Ramachandran**  
Partner  
(Membership No. 16399)



Place: Hyderabad  
Date: 28 October, 2015

**For U. K. Mahapatra & Co.**  
Chartered Accountants  
(Registration No. 320039E)

  
**Uttam Kumar Mahapatra**  
Partner  
(Membership No. 54892)

Place: Bhubaneswar  
Date: 28 October, 2015



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for certain low value items.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that the management is in the process of reconciling the assets physically verified with asset register and further, any discrepancies arising would be dealt with on completion of such reconciliation
- (ii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the records of inventories maintained by Company need to be strengthened in relation raw material and stores and spares and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
  - (a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.
  - (b) In the absence of stipulations, we are unable to comment whether any overdue amounts of over Rs.1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and

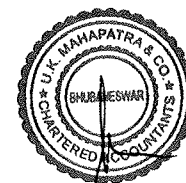


suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system, except that the Company needs to strengthen its systems and procedures relating to documentation.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit to which directives issued by Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of Companies Act, 2013, or Rules framed thereunder are applicable, during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company:
- (i) has generally been regular in depositing undisputed statutory dues of Employees' State Insurance, Wealth Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (ii) has not been regular in depositing undisputed statutory dues of Provident Fund, Income-tax, Service Tax and Work Contract Tax with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except the following.

(₹ in Million)

Name of Statute	Nature of Dues	Amount Involved	Period to which Amount Relates	Due Date
The Income Tax Act, 1961	Tax Deducted at Source	25.81	2011 – 12	Various
		115.25	2012 – 13	Various
		96.95	2013 -14	Various



		56.93	2014 -15	Various
	Interest on Tax Deducted at Source	113.91	2011-12,12-13, 13-14 & 14-15	Various
The Income Tax Act, 1961	Income Tax Demand (Search assessment)	80.05	2005-06 to 2011-12	30 April 2014
Wealth Tax Act 1957	Wealth Tax	0.38	2012-13	Various
The Finance Act, 1994	Service Tax	77.94	2014-15	Various
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	5.72	2014-15	Various
	Interest on Provident Fund	5.92	2013-14& 2014-15	Various
Tax on Professions, Trades, Callings and Employment Act	Professional Tax	0.31	2014-15	Various
The West Bengal Tax on Entry of Goods into Local Area Act, 2012	Entry Tax	0.22	2012-13 & 2013-14	Various
The Karnataka Tax of Entry of Goods Act, 1979		0.07	2012-13	Various
The Himachal Pradesh Tax on Entry of Goods into Local Area act, 2010		0.12	2012-13	Various

- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes.
- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.



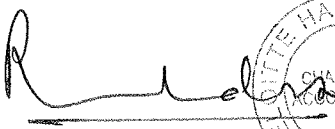
- (ix) In our opinion and according to the information and explanations given to us, and having regard to the Corporate Debt Restructuring (CDR) Scheme which has been implemented with effect from 31 July, 2013, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders except as stated below:

(₹In Million)

Particulars	Principal	Interest	Period of delay (in days)
Financial Institutions – Debentures	330	27.34	1 to 180 days
		126.09	181 to 602 days
Financial Institutions – Loans	-	16.16	1 to 180 days
		6.91	181 to 365 days
Banks – Loans	-	1,356.78	1 to 180 days
		104.89	181 to 365 days


- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No. 008072S)

  
**M. Ramachandran**  
Partner  
(Membership No. 16399)

Place: Hyderabad  
Date: 28 October, 2015

**For U. K. Mahapatra & Co.**  
Chartered Accountants  
(Registration No. 320039E)

  
**Uttam Kumar Mahapatra**  
Partner  
(Membership No. 54892)

Place: Bhubaneswar  
Date: 28 October, 2015



**COASTAL PROJECTS LIMITED**  
**Balance Sheet as at 31 March, 2015**

(₹ in Million)

		Note No.	As at 31 March, 2015		As at 31 March, 2014	
(₹ in Million)						
<b>I. EQUITY AND LIABILITIES</b>						
<b>(1) Shareholders' funds</b>						
(a) Share capital	3	1,522.52		210.11		
(b) Reserves and surplus	4A	2,235.70	3,758.22	6,171.03	6,381.14	
<b>(2) Promoters' contribution</b>						
	4B		-		1,312.41	
<b>(3) Non-current liabilities</b>						
(a) Long-term borrowings	5	24,007.35		20,676.99		
(b) Other long-term liabilities	6	445.79		263.98		
(c) Long-term provisions	7	17.08	24,470.22	13.75	20,954.72	
<b>(4) Current liabilities</b>						
(a) Short-term borrowings	8	15,626.12		11,789.58		
(b) Trade payables	9					
(i) Due to micro and small enterprises		-		-		
(ii) Others		2,523.52		1,989.54		
(c) Other current liabilities	10	6,081.73		4,844.49		
(d) Short-term provisions	11	88.65	24,320.02	147.38	18,770.99	
<b>TOTAL</b>			52,548.46		47,419.26	
<b>II. ASSETS</b>						
<b>(1) Non-current assets</b>						
(a) Fixed assets						
(i) Tangible assets	12	4,990.39		6,235.35		
(ii) Intangible assets		0.01		2.46		
(iii) Capital work-in-progress		226.63	5,217.03	403.31	6,641.12	
(b) Non-current investments	13	1,598.85		1,598.90		
(c) Deferred tax assets	14	1,716.16		1,138.05		
(d) Long-term loans and advances	15	3,980.74		3,604.80		
(e) Other non-current assets	16	4,130.80	11,426.55	1,913.54	8,255.29	
<b>(2) Current assets</b>						
(a) Inventories	17	11,291.85		9,011.03		
(b) Trade receivables	18	11,313.15		9,851.62		
(c) Cash and cash equivalents	19	478.20		606.35		
(d) Short-term loans and advances	20	3,851.39		5,808.70		
(e) Other current assets	21	8,970.29	35,904.88	7,245.15	32,522.85	
<b>TOTAL</b>			52,548.46		47,419.26	
Corporate Information and Significant Accounting Policies		1 & 2				


See accompanying notes forming part of the financial statements


In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants


**For U.K. Mahapatra & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**

  
M. Ramachandran  
Partner

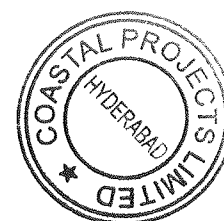
  
Uttam Kumar Mahapatra  
Partner

  
N. Sridhar  
Director Finance

  
G. Hari Hara Rao  
Managing Director



  
N. Varalakshmi  
Company Secretary



Date : 28 October, 2015  
Place: Hyderabad

Date : 28 October, 2015  
Place: Bhubaneswar

Date : 28 October, 2015  
Place: Hyderabad

**COASTAL PROJECTS LIMITED**
**Statement of Profit and Loss for the year ended 31 March, 2015**
**(₹ in Million)**


	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>I. Revenue</b>			
(a) Revenue from construction contracts (net)		13,491.12	14,475.35
(b) Other income	22	192.38	396.70
<b>Total Revenue</b>		<b>13,683.50</b>	<b>14,872.05</b>
<b>II. EXPENSES</b>			
(a) On construction contracts:			
(i) Cost of materials consumed	23	3,985.38	4,105.86
(ii) Change in inventories of work-in-progress	24	(2,067.57)	(1,901.21)
(iii) Construction expenses	25	7,078.20	7,623.91
(b) Employee benefits expense	26	1,009.42	1,486.42
(c) Finance costs	27	5,204.53	4,147.31
(d) Depreciation and amortisation expense	12	2,220.75	1,983.33
(e) Other expenses	28	717.20	903.38
<b>Total expenses</b>		<b>18,147.91</b>	<b>18,349.00</b>
<b>III. Loss before tax (I-II)</b>		<b>(4,464.41)</b>	<b>(3,476.95)</b>
<b>IV. Tax expense /(Benefit):</b>			
Current Tax			
Short / (Excess) provision for tax relating to prior years		10.86	(25.01)
Deferred tax		(564.91)	(719.72)
<b>Net tax benefit</b>		<b>(554.05)</b>	<b>(744.73)</b>
<b>V. Loss for the year (III-IV)</b>		<b>(3,910.36)</b>	<b>(2,732.22)</b>
<b>VI. Earnings per share - (Face value of ₹ 10 each)</b>			
Basic & Diluted	34	(204.05)	(145.23)
Corporate information and significant accounting policies	1 & 2		

See accompanying notes forming part of the financial statements

In terms of our report attached

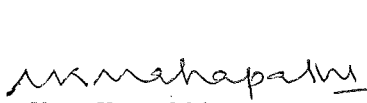
**For Deloitte Haskins & Sells**

Chartered Accountants

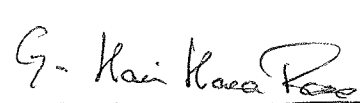
  
 M. Ramachandran  
 Partner


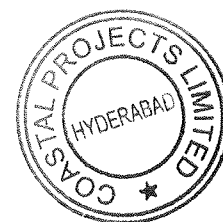
**For U.K. Mahapatra & Co.**

Chartered Accountants

  
 Uttam Kumar Mahapatra  
 Partner

**For and on behalf of the Board of Directors**
  
 N. Sridhar  
 Director Finance

  
 G. Hari Hara Rao  
 Managing Director

  
 N. Varalakshmi  
 Company Secretary


Date : 28 October, 2015

Place: Hyderabad

Date : 28 October, 2015

Place: Bhubaneswar

Date : 28 October, 2015

Place: Hyderabad

**COASTAL PROJECTS LIMITED**  
**Cash Flow Statement for the year ended 31 March, 2015**

(₹ in Million)

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>A. Cash flow from operating activities:</b>		
Loss before tax	(4,464.41)	(3,476.95)
Adjustment for:		
Depreciation and amortisation expense	2,220.75	1,983.33
Interest income	(69.19)	(117.50)
Finance costs	5,204.53	4,147.31
Net unrealised foreign exchange loss	19.45	114.51
Capital work-in-progress expensed off	43.62	-
Other receivables written off	205.69	-
Loss on sale of fixed assets	0.44	(184.71)
<b>Operating profit before working capital changes</b>	<b>3,160.88</b>	<b>2,465.99</b>
<b>Changes in working capital :</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	(2,280.82)	(2,176.55)
Trade receivables	(1,461.53)	1,026.37
Short-term loans and advances	1,944.05	(375.72)
Long term loans and advances	(505.70)	(620.93)
Other current assets	(1,716.02)	(1,656.16)
Other non-current assets	(2,469.69)	(875.19)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payable	533.99	(208.12)
Other current liabilities	(915.85)	116.25
Other long-term liabilities	(136.94)	63.82
Short-term provisions	(13.87)	4.77
Long-term provisions	3.34	(83.12)
<b>Cash used in operating activities</b>	<b>(3,858.16)</b>	<b>(2,318.59)</b>
Income Tax Paid	(153.18)	(330.10)
<b>Net cash used in operating activities (A)</b>	<b>(4,011.34)</b>	<b>(2,648.69)</b>
<b>B. Cash flow from investing activities:</b>		
Capital expenditure on fixed assets, including capital advances	(876.02)	(1,024.39)
Proceeds from sale of fixed assets	4.21	792.15
Bank balances not considered as cash and cash equivalents	403.89	317.78
Investment in subsidiaries (including share application money)	-	(0.50)
Proceeds from sale of long term investment in subsidiaries	0.05	170.00
Loan realised from related parties and subsidiaries	13.26	(1,199.84)
Interest received	71.19	92.96
<b>Net cash used in investing activities (B)</b>	<b>(383.42)</b>	<b>(851.84)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of preference share capital [Refer note 2(e) below]	-	18.48
Proceeds from long-term borrowings (net of repayments /adjustments) [Refer note 2 (b,c, d) below]	3,125.71	4,784.46
Proceeds from promoters contribution during the year (including allotment of equity shares) [Refer note 2(a) below]	-	1,007.27
Proceeds from short-term borrowings (net of repayments/adjustments)	3,836.54	-
Finance costs (net of adjustments) [Refer note 2(c) below]	(2,533.08)	(2,391.10)
<b>Net cash generated from financing activities (C)</b>	<b>4,429.17</b>	<b>3,419.11</b>
<b>D. Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>34.41</b>	<b>(81.42)</b>
<b>E. Cash and cash equivalents</b>		
at the beginning of the year	179.07	260.49
<b>at the end of the year (Refer note 19)</b>	<b>213.48</b>	<b>179.07</b>

See accompanying notes forming part of the financial statements

**Notes:**

1. Cash flow statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on cash flow statements. Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and cash equivalents which are short-term.

2. Following non-cash transactions has been excluded from Cash flows from financing activities:

- Equity shares held by the promoters' and pledged, has been adjusted by IDFC Limited against their dues aggregating ₹ Nil (31 March, 2014: ₹ 670 million).
- Promoters shares aggregating to ₹ Nil (31 March, 2014: ₹ 148.15 million) transferred to L&T Infrastructure Finance Company
- Interest dues of ₹ 4,138.58 million (2013-14: ₹ 1,988.34 million) has been converted as Funded Interest Term Loan (FITL) as per the Corporate Debt Restructuring (CDR) Scheme.
- Excess of the assessed Working Capital and Cash Credit Limits aggregating ₹ Nil (31 March, 2014: ₹ 1,095.97 million) has been converted in to Working Capital Term Loan - I(WCTL-1).
- Promoters Contribution aggregating ₹ 1,312.41 million has been converted in to Compulsorily convertible preference shares.

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**For U.K. Mahapatra & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**

M. Ramachandran  
Partner

Uttam Kumar Mahapatra  
Partner

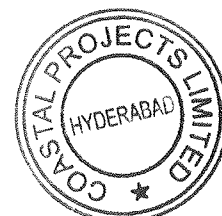
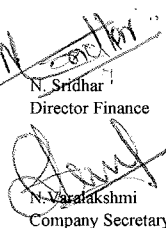
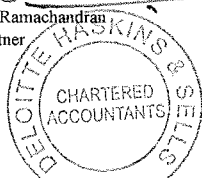
N. Sridhar  
Director Finance

G.Hari Hara Rao  
Managing Director

Date : 28 October, 2015  
Place: Hyderabad

Date : 28 October, 2015  
Place: Bhubaneswar

Date : 28 October, 2015  
Place: Hyderabad





# COASTAL PROJECTS LIMITED

## Notes forming part of the Financial Statements

### 1. Corporate Information

Coastal Projects Limited ("the Company", "CPL") was incorporated as a private limited company in 1995 and converted into Public Company in 2010. The Company specialises in Underground excavation works of Hydro Electric Projects, Underground Power House Complexes, Rail Tunnels, Water Carriage Tunnels, Shafts, Buildings, Electricals, Road works, etc.

The lenders (banks and financial institutions) of the Company had agreed to a Corporate Debt Restructuring (CDR) scheme as of 31 July, 2013 ("Cut-off date"). Accordingly, the Company and the lenders had entered into a Master Restructuring Agreement dated 29 March, 2014 and further amended vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014. The package envisages, restructuring of borrowings (terms loans and equipment loans). The excess drawings in the working capital has been converted into Working Capital Term Loans (WCTL 1 and 2) and the interest from 31 July, 2013 ("Cutoff date") to 31 March, 2014 has been converted into Funded Interest Term Loan (FITL). The financial statements have been prepared after giving effect to the restructuring package.

The company is executing large government and quasi-government projects. Due to non-availability of need based working capital from the customers and due to the delay by the lenders in compliance with the requirements of CDR, the Company could not meet the envisaged turnaround in the operations during the year ended 31 March, 2015. The lenders have therefore invoked Strategic Debt Restructuring Scheme (SDR ) on 25 July, 2015, consequent to which the Company has submitted a revised restructuring plan, which is under consideration of the lenders. The Company is confident that the lenders would be implementing the revised restructuring plan and provide working capital support to the Company. Based on the above, these financial statements have been prepared on a going concern basis.

### 2. Significant Accounting Policies

#### a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 12.

#### b) Use of estimates

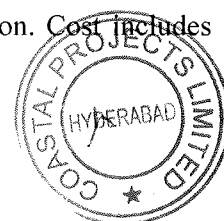
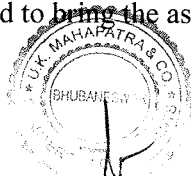
The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### c) Inventories

Construction materials are valued at cost. Cost is determined on First-In-First-Out basis excluding refundable duties and taxes. Work-in-progress is valued at lower of cost i.e., the contract rate less estimated profit margin and net realisable value.

#### d) Fixed assets

**Tangible assets:** Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes directly attributable expenses incurred to bring the assets for its intended use.



## COASTAL PROJECTS LIMITED

### Notes forming part of the Financial Statements

**Intangible assets:** Intangible assets are carried at cost less accumulated amortisation. Cost includes directly attributable expenses incurred to bring the assets for its intended use.

**Capital work-in-progress:** Expenditure incurred towards assets (acquired/internally constructed) which are not ready for their intended use are carried at cost. Cost comprises of direct costs incurred, related incidental expenses and attributable borrowing costs.

#### e) Investments

Investments are classified as non-current and current Investments. Non-current investments are carried at cost less provision for diminution in value, if any which is other than temporary in the value of such investments. Current Investments are valued at lower of cost or fair value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

#### f) Revenue recognition

##### Contract revenue:

Contract Revenue (net of taxes and duties) is recognised at the reporting date of the financial statements under percentage of completion method:

- i) With reference to the proportion the contract cost incurred for work performed bears to the estimated total contract costs for each contract activity.
- ii) With reference to the stage of completion determined by survey of work performed and/or completion of a physical portion of the contract, as the case may be, and acknowledged by the contractee.
- iii) Anticipated losses, if any, are recognised as expense immediately.
- iv) Price escalation and other claims and/or variation in the contract value are included in contract revenue, as per contractual terms, only when negotiations have reached an advanced stage and it is probable that customer will accept the claim/escalation/variation and the amount can be measured reliably.

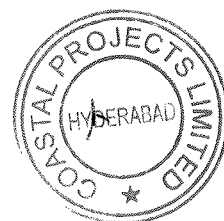
##### Joint ventures:

Contract Revenue from construction activities and contracts executed in joint ventures under work sharing arrangements (being Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 Financial Reporting of Interests in Joint Ventures), are recognised on the same basis as similar contracts independently executed by the Company.

Share of turnover attributable to the Company in respect of contracts executed by the other joint venture partners and the share of turnover attributable to the other joint venture partners in respect of contracts executed by the Company pursuant to Joint Venture Agreement, is accounted under Contract Revenue.

##### Accounting for interests in joint venture projects

Type of Joint Venture	Accounting Treatment
Jointly Controlled Operations	(i) Company's share of revenue, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.
	(ii) Advances in the integrated joint ventures are carried at cost net of Company's share in recognised profits or losses.



**COASTAL PROJECTS LIMITED**  
**Notes forming part of the Financial Statements**

**g) Employee benefits**

The estimated liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" A brief description of the employee benefits are as follows:

**Gratuity:**

The Company has an obligation towards gratuity, a defined retirement benefit plan covering all eligible employees. The plan provides for lump sum payment in accordance with the Payment of Gratuity Act, 1972, to vested employees on retirement, death while in employment or on separation. Vesting occurs on completion of five years of service. The Company accounts for the liability for future gratuity benefits on the basis of an independent actuarial valuation and funded under a Group Gratuity Plan Scheme sponsored with Life Insurance Corporation of India. Actuarial gains or losses are recognised immediately in the Statement of Profit and Loss.

**Provident fund:**

All eligible employees of the Company are entitled to receive benefits under the Provident Fund Scheme, a defined contribution plan to which both the employee and employer contribute monthly at a determined rate and the Company has no further obligation.

**Compensated absences:**

Liability for compensated absences is accrued and provided on the basis of an independent actuarial valuation as at the period end.

**h) Depreciation and amortisation**

**Tangible/ Intangible Assets**

Depreciation and Amortization on fixed assets is provided on Written Down Value method based on the life specified in Schedule II of the Companies Act, 2013, on pro-rata basis. Individual fixed assets costing Rs. 5,000 and below are fully depreciated in the period of capitalization.

**i) Impairment of assets**

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

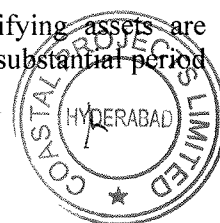
**j) Leases**

**Premises:** The leasing arrangements with respect to lease of premises are usually cancellable /renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.

**Construction equipment:** The leasing arrangements with respect to lease of construction equipment range up to 5 years and are usually non-cancellable. The aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.

**k) Borrowing costs**

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised as part of cost of the assets. A qualifying asset is one that necessarily takes substantial period



# COASTAL PROJECTS LIMITED

## Notes forming part of the Financial Statements

of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

### l) Foreign currency transactions and translations

Transactions made during the period in foreign currency are recorded at the exchange rate prevailing at the time of transactions or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the period-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on actual payment/realisation and period end reinstatement referred to above are recognised in the Statement of Profit and Loss.

### m) Taxation

Current tax is the amount of tax payable on taxable income for the period determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax - Deferred tax resulting from "timing differences" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognised only to the extent that there is a virtual certainty that such assets will be realised in future. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### n) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, "Earnings Per Share". Basic earnings per share is computed by dividing the net profit/loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding at the period end. Diluted earnings per share is computed by dividing net profits/loss for the period, adjusted for the effects of dilutive potential equity shares, by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the period except where the results are anti dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The number of shares and potentially dilutive shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

### o) Provisions, contingent liabilities and contingent assets

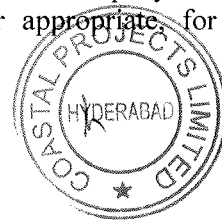
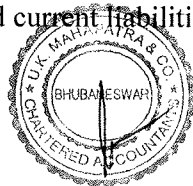
A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### p) Cash flow statement

Cash flows are reported using the indirect method, 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 Company are segregated based on the available information.

### q) Operating cycle

The Company's activities (primarily engineering, procurement and construction (EPC) activities in the infrastructure space) have an operating cycle that exceeds a period of twelve months. The Company has chosen the duration of the individual contracts as its operating cycle, wherever appropriate, for classification of current assets and current liabilities into current and non-current.



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**3: Share capital**

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised:</b>				
Equity shares of ₹ 10 each [Refer note (a) below]	600,000,000	6000.00	22,000,000	220.00
	<b>600,000,000</b>	<b>6,000.00</b>	<b>22,000,000</b>	<b>220.00</b>
Compulsorily convertible preference shares of ₹ 10 each [Refer note (a) below]	150,000,000	1500.00	30,00,000	30.00
	<b>150,000,000</b>	<b>1,500.00</b>	<b>30,00,000</b>	<b>30.00</b>
<b>Issued, Subscribed and fully paid:</b>				
Equity shares of ₹ 10 each	19,163,468	191.63	19,163,468	191.63
Compulsorily convertible preference shares of ₹ 10 each [Refer note 3 (a) & (b) below]	133,089,346	1330.89	1,848,242	18.48
<b>Total</b>		<b>1,522.52</b>		<b>210.11</b>

**Notes:**

a) Pursuant to the approval of the shareholders of the Company in the extra-ordinary general meeting held on 16 March, 2015:

(i) The authorised share capital has been increased from ₹ 250 million comprising of 22,000,000 Equity shares of ₹ 10 each and 3,000,000 Compulsory convertible preference shares of ₹ 10 each to ₹ 7,500 million comprising of 600,000,000 Equity shares of ₹ 10 each and 150,000,000 Compulsory convertible preference shares of ₹ 10 each. The Company is in the process of filing requisite forms with the registrar of companies and payment of filing fees for enhancement of authorised capital.

ii) The Company has allotted on 16 March, 2015 fully paid Compulsorily convertible preference shares of 131,241,104 having face value of ₹ 10 each to Mr. S.Surendra, promoter and is in the process of filing requisite forms with Registrar of Companies.

(b) During the previous year, pursuant to the approval of the shareholders' of the Company in the Extra-ordinary General Meeting, held on 29 March, 2014, the company has issued fully paid Compulsorily convertible preference shares of 1,848,242 having face value of ₹ 10 each to M/s Blue Bird Pharma Holding LLC, USA.

c) **Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year:**

Particulars	Year ended 31 March, 2015		Year ended 31 March, 2014	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity shares</b>				
Opening balance	19,163,468	191.63	18,810,773	188.11
Add: Issued during the year	-	-	352,695	3.52
<b>Closing balance</b>	<b>19,163,468</b>	<b>191.63</b>	<b>19,163,468</b>	<b>191.63</b>
<b>Compulsorily convertible preference shares (CCPS)</b>				
Opening balance	1,848,242	18.48	-	-
Add: Issued during the year	131,241,104	1312.41	1,848,242	18.48
<b>Closing balance</b>	<b>133,089,346</b>	<b>1,330.89</b>	<b>1,848,242</b>	<b>18.48</b>

d) **Rights, preferences and restrictions:**

i) **Rights, preferences and restrictions attached to equity shares:**

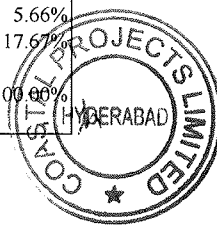
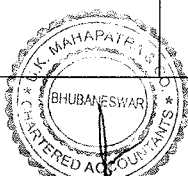
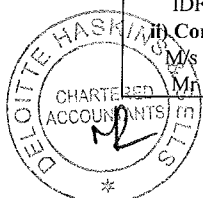
The Company has one class of Equity shares having a face value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders' in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. There are no restrictions attached to the Equity shares and dividend declaration except as contained in the articles of association of the Company and in the corporate debt restructuring programme.

ii) **Rights, preferences and restrictions attached to compulsorily convertible preference shares:**

The Company has one class of Compulsorily convertible preference shares having face value of ₹ 10 each. 131,241,104 number of CCPS will be converted into 13,12,41,104 number of equity shares of ₹ 10 each per share within one year from the date of allotment. 1,848,242 number of CCPS will be converted into 17,866 equity shares of ₹ 10 each at a premium of ₹ 1,024.50 per share at the end of fifth year, i.e. March 2019, subject to the approval of the lenders to the Company.

e) **Details of shares held by each shareholder holding more than 5% shares:**

Name of the shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
<b>i) Equity shares</b>				
Mr. S. Surendra	4,248,687	22.17%	4,248,687	22.17%
Mrs. S. Shanti Sree	2,848,895	14.87%	2,848,895	14.87%
Baring Private Equity Asia IV Mauritius Holdings (2) Limited, Mauritius	2,222,026	11.60%	2,222,026	11.60%
CIM Trustees (Mauritius) Limited, Mauritius	1,680,652	8.77%	1,680,652	8.77%
Sequoia Capital India Growth Investment Holdings 1, Mauritius	1,084,523	5.66%	1,084,523	5.66%
IDFC Limited (refer Note 41)	3,385,939	17.67%	3,385,939	17.67%
<b>ii) Compulsorily convertible preference shares</b>				
M/s Blue Bird Pharma Holding LLC, USA	1,848,242	1.39%	1,848,242	100.00%
Mr. S. Surendra	13,12,41,104	98.61%	-	-



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**4A: Reserves and surplus**

(₹ in Million)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>a) Securities premium account</b>		
Opening balance	3,527.48	3,166.14
Add: Premium on equity shares issued (Refer note below)	-	361.34
Closing balance	<b>3,527.48</b>	<b>3,527.48</b>
<b>b) (Deficit) / Surplus in statement of profit and loss</b>		
Opening balance	2,643.55	5,375.77
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 12)	(24.97)	-
Add: Loss for the year	(3,910.36)	(2,732.22)
Closing balance	<b>(1,291.78)</b>	<b>2,643.55</b>
<b>Total</b>	<b>2,235.70</b>	<b>6,171.03</b>

**Note:**

During the previous year, pursuant to the Corporate Debt Restructuring (CDR) terms and approval of the shareholders at the Extraordinary General meeting held on 29 March, 2014 the Company had issued 352,695 Equity shares at a price of ₹ 1,034.50 per share (face value ₹ 10 per share at a premium of ₹ 1,024.50 per share) to Mr.S.Surendra, promoter on a preferential basis, based on independent valuation.

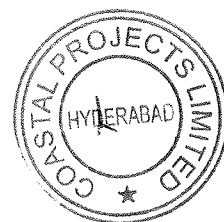
**4B: Promoters' contribution (Refer note 41)**

(₹ in Million)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
Opening balance	1,312.41	-
Add: Contribution received	-	1,312.41
Less: Issue of Preference Shares [Note 3(a)(ii)]	1,312.41	-
<b>Total</b>	<b>-</b>	<b>1,312.41</b>

**5: Long-term borrowings**

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Non-current (Refer note 5.2)	Current*	Non-current (Refer note 5.2)	Current*
<b>a) Debentures</b>				
Secured				
14.38% Compulsory convertible debentures (Refer note 5.1)	-	330.00	-	330.00
<b>b) Term loans (Refer notes 5.2 - 5.10)</b>				
Secured				
From banks	16,344.54	920.15	11,693.79	-
From others	5,730.18	307.18	5,118.44	-
<b>c) Equipment loans (Refer notes 5.2 - 5.10)</b>				
Secured				
From banks	265.65	13.98	247.12	-
From others	1,666.98	636.36	2,481.84	-
<b>d) Other loans (Refer notes 5.2 - 5.10)</b>				
Interest free unsecured loan (refer note 37)	-	87.37	-	-
Buyers Credit (denominated in foreign currency)	-	-	1,135.80	-
<b>Total</b>	<b>24,007.35</b>	<b>2,295.04</b>	<b>20,676.99</b>	<b>330.00</b>

\* Current maturities of long term borrowings included under "Other current liabilities" (Refer note 10).



#### 5.1 14.38% Compulsory Convertible Debentures :

a) 1,000 Compulsorily Convertible Debentures ("CCDs") of face value ₹ 1,000,000 each carrying a coupon rate of 14.38% were issued to IDFC Limited ("IDFC") during 2010-11, which were convertible into 1,254,051 equity shares of ₹ 10 each at the end of 39 months from the date of issue i.e. 31 March 2011. These debentures are secured by immovable property of the Company and further secured by pledge of 3,385,939 equity shares held by promoters' and personal guarantee of promoters'.

b) As per the amendatory option cum buy back agreement dated 24 May, 2013 entered with IDFC, upon happening of certain events or expiry of a particular timeline, the promoters' had to purchase CCDs at a price with an earning of annualised pre-tax yield equal to the applicable rates compounded monthly on the outstanding investment, as adjusted for monthly interest already paid by the Company ("Put Option Price") from the IDFC. It was further agreed that in the event of failure on the part of the promoters to honour their obligations to purchase the CCDs, the Company is required to buyback the CCDs from IDFC for the price and other terms and conditions set out in option agreement.

c) During the previous year ended 31 March, 2014, IDFC had exercised the Put Option requiring the promoters' to purchase CCDs which was not honoured by them. Further, as required by the amendatory option cum buy back agreement dated 24 May, 2013, the Company could not provide a buy back option within 15 days from the respective Put Option date, due to which IDFC in terms of the conditions laid in the pledge agreement dated 31 March, 2011 invoked 3,385,939 equity shares of ₹ 10 per share pledged by the promoter's. Accordingly, 3,385,939 pledged equity shares held by the promoters' have been transferred in the name of IDFC Limited on 19 November, 2013.

d) IDFC vide its letter dated 13 November, 2013 to promoters' and the Company regarding pledged 3,385,939 equity shares of ₹ 10 each, has adjusted ₹ 670 million by invocation of the pledged shares on 19 November, 2013 which is transferred to extinguish debt and IDFC vide its letter dated 30 April, 2014 has requested the Company to pay the balance ₹ 330 million and interest amounting ₹ 170.46 million as at 31 March, 2014.

The Company has disputed the valuation of adjusted equity shares, made by IDFC towards repayment of the dues, with Debt Recovery appellate tribunal.

Pending settlement of the dispute, the Company had made a provision towards interest accrued and due of ₹ 101.57 million during the year ended 31 March, 2014 (Refer note 10) and the balance of ₹ 68.87 million has been disclosed as contingent liability (Refer note 30). In the current year, the Company had made provision for interest in terms of the agreement.

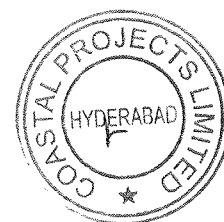
#### 5.1A Term loan from IFCI Limited:

a) Pursuant to the Corporate Debt Restructuring (CDR) Scheme, these 15.00% Redeemable Debentures outstanding as at Cut-off date i.e. 31 July, 2013 amounting ₹ 750 million (excluding funded interest term loan) has been further converted into a term loan.

b) IFCI Limited has filed an appeal for recovery on 14 August, 2014 before the Debt Recovery Tribunal, Delhi and claimed an amount of ₹ 831.17 million towards principal and interest dues as on June 30, 2014.

c) Pending settlement of the dispute the Company has recognised the Term loan of ₹ 734 million and Funded Interest Term Loan (FITL) of ₹ 84.98 million as per CDR scheme, and the balance of ₹ 45.26 million (including penal interest from July to March, 2015) is disclosed as contingent liability (Refer note.30).

5.2. Term loans and equipment loans includes ₹ Nil (31 March, 2014: ₹ 317.85 million) and ₹ Nil (31 March, 2014: ₹ 306.93 million) respectively, being the current portion of the outstanding loans from Non-CDR lenders, which are to be re-scheduled pursuant to the Corporate Debt Restructuring (CDR) scheme. Term loans and equipment loans includes ₹ Nil million (31 March, 2014: ₹ 124.32 million), being the interest accrued and due to Non-CDR lenders, which are to be re-scheduled as funded interest term loan(FITL) pursuant to the Corporate Debt Restructuring (CDR) scheme.



**COASTAL PROJECTS LIMITED**  
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**5.3 Term Loans (TL) / Equipment loans / Buyers credit:**

Pursuant to the Corporate Debt Restructuring (CDR) scheme approved vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014 by the Corporate Debt Restructuring (CDR) Cell, the Term Loans, Equipment loans and Buyers credit are restructured and the following lenders have been classified as CDR and Non - CDR lenders:

CDR Lender	Non -CDR Lender [refer note below]
Andhra Bank	Aditya Birla Finance Limited [refer note 5.3 (ii) below]
Axis Bank Limited	YES Bank Limited
Bank of Baroda	Tata Motors Finance Limited.
Bank of Maharashtra	Standard Chartered Bank,
Canara Bank	Siemens Financial Services Private Limited,
Central Bank of India*	Shriram Equipment Finance Company Limited.
Corporation Bank	Reliance Capital Limited.
Dhanalakshmi Bank*	Phoenix ARC Private Limited [refer note 5.3 (iii) below]
Export Import Bank of India	Magma Fincorp Limited,
ICICI Bank Limited	Kotak Mahindra Prime Limited
IDBI Bank Limited	Kotak Mahindra Bank Limited
IFCI Limited*	India Bulls Finance Limited
IndusInd Bank Limited* (note 5.3(iv))	IDFC Limited
ING Vysya Bank Limited	Bank of Bahrain and Kuwait
Karur Vysya Bank	Bajaj Finance Limited
L&T Infrastructure Finance Company Limited	
Oriental Bank of Commerce	
Punjab National Bank	
South Indian Bank Limited	
SREI Equipment Finance Limited	
State Bank of Bikaner & Jaipur	
State Bank of India	
State Bank of Hyderabad	
State Bank of Mauritius	
State Bank of Travancore	
Tata Capital Financial Services Limited	

\* CDR lenders yet to sign the Master Restructuring Agreement.

(i) Loans availed from Non-CDR lenders are proposed for reschedulement in terms of the Corporate Debt Restructuring (CDR) scheme.

(ii) As per the "Consent Minutes of Award" issued by the Arbitral Tribunal dated 1 April, 2014, Aditya Birla Finance Limited has been directed to restructure the Principal loan effective 31 July, 2013 in accordance with the CDR Scheme.

(iii) During the previous year HDFC Bank Limited has assigned and transferred all the facilities together with all underlying securities, interest thereto and all the rights, title and interests in all agreements, deeds and documents in relation to the facilities availed by Coastal Projects Limited to Phoenix ARC Private Limited.

(iv) During the current year, IndusInd Bank Limited has honored lease rentals payable by the Company to one of the vendor of the Company to the extent of ₹ 520 million.

Pursuant to the Corporate Debt Restructuring (CDR) scheme, Term loans from banks and others includes the following:

**a) Buyers Credit Term loans (BCTL)**

Buyers credit loan with Oriental Bank of Commerce, Axis Bank and ICICI Bank amounting ₹ 1,596.45 million (31 March, 2014: ₹ 329.10 million) has been restructured from Buyers credit to term loans.

**b) Corporate Guarantee Term Loan (CGTL)**

The Corporate Guarantee given to EXIM Bank for securing the loan availed by Company's wholly owned subsidiary Coastal Transnational Ventures (CY) Limited has been invoked during the previous year ₹ 1,029.90 million and restructured as Corporate Guarantee Term Loan (Refer note 39)

**c) Working Capital Term Loan - 1 (WCTL-1)**

The amount of Working Capital which is in excess of the assessed Working Capital Limits as on Cut-Off date as per CDR Scheme and Letters of Credit (LCs) devolved amounting ₹ 4,564.87 million (31 March, 2014: ₹ 4,525.08 million) are restructured as Working Capital Term Loan-1.

**d) Working Capital Term Loan - 2 (WCTL-2)**

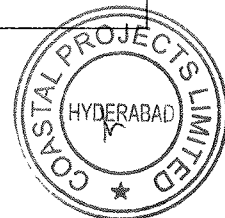
The amount of Bank Guarantees which are invoked amounting ₹ 2,252.38 million (31 March, 2014: ₹ 1,777.35 million) are restructured as Working Capital Term Loan-2.

**e) Funded Interest Term Loan (FITL)**

The interest accrued and due on borrowings for CDR and Non-CDR lenders amounting ₹ 4,138.58 million (31 March, 2014: ₹ 1,988.34 million) has been converted as Funded Interest Term Loan.

**5.4** Pursuant to the Corporate Debt Restructuring (CDR) scheme, all long-term borrowings except 14.38% Compulsory Convertible Debentures to IDFC Limited and priority debt [which carries rate of interest at 2.25% above SBI base rate (effective 12.25% p.a)] carries rate of interest at 1.25% above SBI base rate (effective 11.25% p.a).

**5.5** Pursuant to the Corporate Debt Restructuring (CDR) scheme, Term loans, equipment loans and buyers credit loans are to be repaid after a moratorium period of 23 months from 31 July, 2013 (cut- off date) in 31 / 21 structured quarterly instalments .





**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

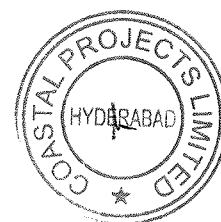
**5.6 Nature of security and terms of repayment for secured borrowings:**

<b>5.6 (a). All Term Loans(TL/Equipment Loans/FITL/BCTL/WCTL) are secured / to be secured by:</b>	
<b>S.No</b>	<b>Particulars</b>
1	A first pari passu charge on the fixed assets of the Company's movable and immovable properties both present and future for all term loans other than Corporate guarantee term loan (CGTL) and such term loans having exclusive charge on certain assets.
2	A second pari passu charge on all the Current Assets both present and future of the Borrower for all term loans other than CGTL.
3	The exclusive securities including third party collaterals created in favour of any Lender shall continue to remain exclusive to respective Lenders
4	In the event of sale of any exclusive security of the Company, the same shall be available to the respective Lenders for meeting their respective dues and the surplus amount arising out of such sale of exclusive security of the Company, shall be available for meeting the dues of the Lenders on a pari-passu basis.
5	In the event of release of any exclusive security of the Company, the Lenders shall have a first pari-passu charge on such security.
6	Pledge of shares of certain subsidiaries / associate of the Company.
7	Personal guarantees of Chairman, Managing Director and relative of Chairman for all facilities under CDR.
8	Pledge of 100% unencumbered equity shares of the Company owned by the promoters' / group companies in favour of CDR lenders.

**5.6 (b). Additional Security for the term loans include:**

<b>S.No</b>	<b>Particulars</b>
1	Loan from Axis Bank, Kotak Mahindra Bank Limited, The Karur Vysya Bank Limited, South India Bank Limited, SREI Equipment Finance Limited and IDBI Bank Limited is secured by Mortgage of property held by third parties, relatives and friends of the Chairman.
2	Loan from ICICI Bank is secured by hypothecation of identified equipment's and collateral security in the form of fixed deposit
3	Loan from Siemens Financial Services Private Limited are secured by way of exclusive charge on the machinery identified.
4	Loan from Aditya Birla Finance Limited, L&T Infrastructure Finance Company Limited, Tata Capital Financial Services Limited and IFCI Limited are secured by pledge of equity shares of the Company held by promoters and his relatives.
5	Corporate guarantee term loan from Export Import Bank of India (EXIM Bank) is secured by pledge of shares held by Company in Coastal Transnational Ventures (CY) Limited.
6	Loan from L&T Infrastructure Finance Company Limited are secured by way of pledge of 36,612,510 (31 March, 2014: 23,612,510) equity shares held by the Company in Jal Power Corporation Limited.
7	Loan from EXIM Bank is secured by : a) Mortgage of property held by Selection Aluminium Wires Private Limited, Humming Bird Soft Solutions Private Limited and relatives of Chairman. b) Undertaking regarding non-disposal of shareholding by the Company in Nepal Jalabidyut Pravardan Tatha Bikas Limited. During the previous year the Company had sold 50% of its shareholding.

**5.6 (c). Security terms for Buyers' credit loans - refer notes 8(ii) & 8(iii)**



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**5.7 Details of repayment terms of Term loans are:**

**5.7(a) From Banks - secured**

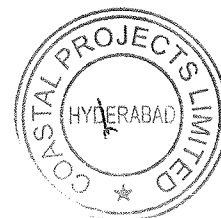
S No	Particulars	Number of outstanding Loans As at		Outstanding balance As at		Number of Outstanding installments As at		Quarterly installments (Beginning - Ending)
		31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	
1	Axis Bank Limited	5	3	2,281.08	1,045.14	21 to 31	21 to 31	April, 2015 to March, 2023
2	ICICI Bank Limited	9	3	3,486.55	1,737.20	21 to 31	21 to 31	April, 2015 to March, 2023
3	Kotak Mahindra Bank Limited	1	1	281.70	301.06	31	31	July, 2015 to March, 2023
4	South Indian Bank Limited	4	3	949.03	787.41	21 to 31	21 to 31	April, 2015 to March, 2023
5	The Karur Vysya Bank Limited	3	2	299.60	270.02	21 to 31	21 to 31	April, 2015 to March, 2023
6	Central Bank of India	3	2	652.21	576.89	21 to 31	21 to 31	April, 2015 to March, 2023
7	Andhra Bank	4	3	271.75	214.63	21 to 31	21 to 31	April, 2015 to March, 2023
8	Bank of Maharashtra	3	2	834.09	697.32	21 to 31	21 to 31	April, 2015 to March, 2023
9	Bank of Baroda	3	2	150.26	124.90	21 to 31	21 to 31	April, 2015 to March, 2023
10	Canara Bank	3	2	265.73	199.86	21 to 31	21 to 31	April, 2015 to March, 2023
11	Corporation Bank	3	2	116.19	77.21	21 to 31	21 to 31	April, 2015 to March, 2023
12	Dhanalakshmi Bank	1	1	0.92	0.42	31	31	July, 2015 to March, 2023
14	ING Vysya Bank Limited	4	3	42.26	42.20	21 to 31	21 to 31	April, 2015 to March, 2023
15	Oriental Bank of Commerce	3	4	962.91	954.25	21 to 31	21 to 31	April, 2015 to March, 2023
16	Punjab National Bank	4	3	2,041.33	1,779.13	21 to 31	21 to 31	April, 2015 to March, 2023
17	Standard Chartered Bank	-	2	-	168.90	-	31	April, 2015 to March, 2023
18	State Bank of Hyderabad	5	3	559.95	517.93	21 to 31	21 to 31	April, 2015 to March, 2023
19	State Bank of India	4	3	1,352.83	983.77	21 to 31	21 to 31	April, 2015 to March, 2023
20	State Bank of Mauritius	3	2	49.24	39.21	21 to 31	21 to 31	April, 2015 to March, 2023
21	State Bank of Travancore	4	3	928.70	617.78	21 to 31	21 to 31	April, 2015 to March, 2023
22	IDBI Bank Limited	8	3	1,163.52	520.98	21 to 31	21 to 31	April, 2015 to March, 2023
23	State Bank of Bikaner & Jaipur	4	2	49.87	37.58	21 to 31	21 to 31	April, 2015 to March, 2023
24	Indus Ind Bank Limited	1	-	524.97	-	31	-	July, 2015 to March, 2023
	<b>Total</b>			<b>*17264.69</b>	<b>11,693.79</b>			

\* Includes current portion of ₹ 920.35 million (31 March, 2014: Nil)

**5.7 (b) From Others - secured**

S No	Particulars	Number of outstanding Loans As at		Outstanding balance As at		Number of Outstanding installments As at		Quarterly installments (Beginning - Ending)
		31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	
1	Aditya Birla Finance Limited	2	2	617.28	564.96	31	31	July, 2015 to March, 2023
2	Export Import Bank of India	5	3	1,430.46	1,288.49	21 to 31	21 to 31	April, 2015 to March, 2023
3	L&T Infrastructure Finance Limited	7	2	1,673.24	1,472.29	21 to 31	21 to 31	April, 2015 to March, 2023
4	Siemens Financial Services Private Limited	1	1	126.16	106.86	31	31	July, 2015 to March, 2023
5	Tata Capital Financial Services Limited	3	1	905.24	754.69	21 to 31	31	July, 2015 to March, 2023
6	IFCI Limited	2	2	891.44	795.39	21 to 31	21 to 31	April, 2015 to March, 2023
7	Srei Equipment Finance Ltd	2	1	393.54	135.76	21	21	April, 2015 to March, 2023
	<b>Total</b>			<b>*6037.36</b>	<b>5,118.44</b>			

\* Includes current portion of ₹ 307.18 million (31 March, 2014: Nil)



**COASTAL PROJECTS LIMITED**

Notes forming part of the Financial Statements

**5.8 Details of repayment terms of Equipment loans are :**
**5.8 (a) From Banks:**

(₹ in Million)

S No	Particulars	Number of outstanding Loans As at		Outstanding balance as at		Number of Outstanding installments As at		Quarterly installments (Beginning - Ending)
		31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	
1	Axis Bank Limited	1	1	47.73	41.66	31	31	July, 2015 to March, 2023
2	Bank of Bahrain and Kuwait	1	1	54.01	45.78	31	31	July, 2015 to March, 2023
3	Central Bank of India	1	1	56.30	56.30	31	31	July, 2015 to March, 2023
4	Dhanalakshmi Bank Limited	1	1	3.80	3.80	31	31	July, 2015 to March, 2023
5	ICICI Bank Limited	1	1	117.79	99.58	31	31	July, 2015 to March, 2023
	<b>Total</b>			<b>*279.63</b>	<b>247.12</b>			

\* Includes current portion of ₹ 13.98 million (31 March, 2014: Nil)

**5.8 (b) From Others:**

(₹ in Million)

S No	Particulars	Number of outstanding Loans As at		Outstanding balance as at		Number of Outstanding installments As at		Quarterly installments (Beginning - Ending)
		31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	
1	Bajaj Auto Finance Limited	1	1	40.90	51.79	31	31	July, 2015 to March, 2023
2	India bulls Financial Services Limited	1	1	29.86	31.60	31	31	July, 2015 to March, 2023
3	Kotak Mahindra Prime Limited	1	1	3.49	13.56	31	31	July, 2015 to March, 2023
4	Magma Fincorp Limited	1	1	12.26	134.49	31	31	July, 2015 to March, 2023
5	Phoenix ARC Private Limited	1	1	233.25	231.00	31	31	July, 2015 to March, 2023
6	Reliance Capital Limited	1	1	39.56	39.53	31	31	July, 2015 to March, 2023
7	Shriram Equipment Finance Company Limited	1	1	100.93	93.58	31	31	July, 2015 to March, 2023
8	SREI Equipment Finance Limited	1	1	1,686.00	1,686.00	31	31	July, 2015 to March, 2023
9	Tata Capital Financial Services Limited	1	1	44.39	44.39	31	31	July, 2015 to March, 2023
10	Tata Motor Finance Limited	1	1	112.70	155.90	31	31	July, 2015 to March, 2023
	<b>Total</b>			<b>*2303.34</b>	<b>2,481.84</b>			

\* Includes current portion of ₹ 636.36 million (31 March, 2014: Nil)

**5.9 Details of repayment terms of Buyers Credit Loans (refer note below)**

(₹ in Million)

S No	Particulars	Number of outstanding Loans As at		Outstanding balance as at		Number of Outstanding installments As at		Quarterly installments (Beginning - Ending)
		31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014	
1	Axis Bank Limited	-	1	-	610.13	31	31	July, 2015 to March, 2023
2	ICICI Bank Limited	-	1	-	525.67	31	31	July, 2015 to March, 2023
	<b>Total</b>	-		-	<b>1,135.80</b>			

**Note:**

Pursuant to the Corporate Debt Restructuring (CDR) scheme approved vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014 by the Corporate Debt Restructuring (CDR) Cell, these loans has been converted into Buyers credit term loan.

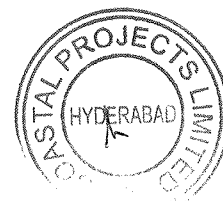
**5.10 The Company has defaulted in repayment of loans and interest in respect of the following:**

Particulars	Period of Default As at 31 Mar 2015	Amount (₹ in Million)	Period of Default As at 31 Mar 2014	Amount (₹ in Million)
<b>Debentures</b>				
Principal	602 Days	330.00	237 Days	330.00
Interest	16 - 593 Days	153.42	16 - 228 Days	101.57
<b>Term Loans</b>				
Interest	1 Day	8.82	-	-

**Note:**

(a) Pursuant to the Corporate Debt Restructuring (CDR) scheme principal and interest defaults up to 31 March, 2014 have been rescheduled with respect to CDR lenders.

(b) The above excludes, the defaults in repayment of loan and interest as at 31 March 2015, with respect to Non-CDR lenders, pending reschedulement.



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**6: Other long-term liabilities**

(₹ in Million)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
Retention money payable to sub-contractors	81.75	160.27
Other advances	-	58.41
Interest accrued but not due	364.04	45.30
<b>Total</b>	<b>445.79</b>	<b>263.98</b>

**7: Long-term provisions**

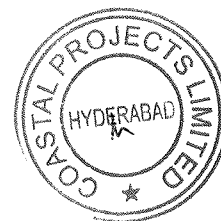
(₹ in Million)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
Provision for employee benefits (Refer Note 35)		
Compensated absences	3.20	6.74
Gratuity	13.88	7.01
<b>Total</b>	<b>17.08</b>	<b>13.75</b>

**8: Short-term borrowings**

(₹ in Million)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
Cash credits (Repayable on demand)		
Secured		
From banks (Refer notes below)	15,626.12	11,789.58
<b>Total</b>	<b>15,626.12</b>	<b>11,789.58</b>

**Notes:**

**8(i)** Pursuant to the Corporate Debt Restructuring (CDR) scheme approved by the Corporate Debt Restructuring cell vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014, further amended by the order dated 28 April, 2014. Working capital loans and Cash credits carry rate of interest at 1.25% above SBI base rate (effective 11.25% p.a) and has a moratorium period of 11 months from 31 July, 2013 (cut off date).



**COASTAL PROJECTS LIMITED****Notes forming part of the Financial Statements****8(ii) Working Capital loans are secured / to be secured by:**

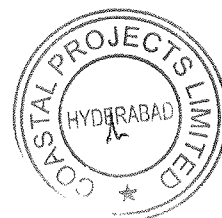
S.No	Particulars
1	A First pari passu charge on the Current Assets, both present and future of the Company.
2	A Second pari-passu charge on the fixed assets of the Company's movable and immovable properties both present and future.
3	The exclusive securities including third party collaterals created in favour of any Lender shall continue to remain exclusive to the respective lenders.
4	In the event of sale of any exclusive security of the Company, the same shall be available to the respective Lenders for meeting their respective dues and the surplus amount arising out of such sale of exclusive security of the company, shall be available for meeting the dues of the Lenders on a pari-passu basis.
5	In the event of release of any exclusive security of the Company, the Lenders shall have a first pari-passu charge on such security.
6	Pledge of shares of certain subsidiaries / associates.
7	Personal guarantees of Chairman, Managing Director and relative of Chairman for all facilities under CDR.
8	Pledge of 100% unencumbered equity shares of the Company owned by the promoters in favour of CDR lenders.

**8(iii) Working Capital loans are additionally secured by:**

S.No	Particulars
1	Loan from Axis Bank Limited, Bank of Maharashtra, and State Bank of India are secured by mortgage of certain property held by friends / relatives of the Chairman.
2	Loan from Oriental Bank of Commerce is secured by mortgage of certain property held by relative of the Chairman and Collateral Security in the form of fixed deposits.
3	Loan from Punjab National Bank, State Bank of Hyderabad and State Bank of Travancore are secured by way of Collateral Security in the form of fixed deposits of the Company.

**8(iv) The Company has defaulted in repayment of loans and interest in respect of the following:**

Particulars	Period of Default As at 31 March 2015	Amount (₹ in Million)	Period of Default As at 31 March 2014	Amount (₹ in Million)
From banks				
Interest	1 Day	6.29	-	-



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**9: Trade payables**

(₹ in Million)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Trade payables		
Due to micro and small enterprises (Refer note below)	-	-
Others	2,523.52	1,989.54
<b>Total</b>	<b>2,523.52</b>	<b>1,989.54</b>

**Note:**

The principal amount remaining unpaid as at 31 March, 2015 in respect of enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006" (MSMEDA) is ₹ Nil (31 March, 2014: ₹ Nil) based upon the information available with the Company and relied upon by the auditors.

**10: Other current liabilities**

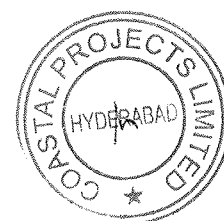
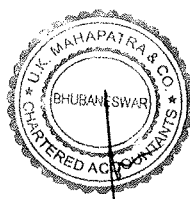
(₹ in Million)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Current maturities of long-term debt (Refer note 5)	2,295.04	330.00
Interest accrued but not due on borrowings	138.72	3.21
Interest accrued and due on borrowings	168.53	101.57
Bank overdraft in bank current accounts	2.04	0.17
Other payables:		
Statutory remittances	637.11	997.94
Retention money payable to sub-contractors	124.66	176.18
Payables on purchase of fixed assets	38.10	52.55
Machinery advance from customers	327.27	449.24
Advance from customers	472.85	484.21
Mobilisation advance from customers (net of adjustments)	1,877.41	2,249.42
<b>Total</b>	<b>6,081.73</b>	<b>4,844.49</b>

**11: Short-term provisions**

(₹ in Million)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Provision for employee benefits: (Refer note 35)		
Compensated absences	5.89	11.81
Gratuity	2.71	10.67
Provision for income tax [Net of Advance Tax ₹ 44.85 (31 March, 2014: ₹ Nil)]	80.05	124.90
<b>Total</b>	<b>88.65</b>	<b>147.38</b>



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**12: Fixed assets**

**(a) Tangible assets**

Particulars	Gross block - at Cost				Depreciation and amortisation				Net Block		(₹ in Million)
	As at 31 March, 2014	Additions	Disposals	As at 31 March, 2015	Upto 31 March, 2014	Adjustments (refer note 1 below)	For the Year	On Disposals	Upto 31 March, 2015	As at 31 March, 2015	
Land - freehold (Previous Year)	18.83 (18.83)	-	-	18.83 (18.83)	-	-	-	-	-	18.83	
Buildings (Previous Year)	66.61 (66.61)	-	-	66.61 (66.61)	25.14 (20.53)	-	1.88 (4.61)	-	27.02 (25.14)	39.59	(18.83)
Plant & Machinery (Previous Year)	9,842.17 (10,016.09)	663.44 (1,002.29)	8.75 (1,176.21)	10,496.86 (9,842.17)	4,897.71 (4,200.89)	2.22	1,491.54 (1,284.50)	5.97 (587.68)	6,385.50 (4,897.71)	4,111.36	(41.47)
Construction Vehicles (Previous Year)	1,844.68 (1,873.09)	13.85 (14.98)	6.63 (43.39)	1,851.90 (1,844.68)	1,331.41 (1,141.82)	3.81	189.90 (216.76)	5.50 (27.17)	1,519.62 (1,331.41)	332.28	(4,944.46)
Transport Vehicles (Previous Year)	360.90 (360.04)	1.60 (3.91)	3.85 (3.05)	358.65 (360.90)	243.04 (204.61)	2.49	43.57 (40.62)	3.12 (2.19)	285.98 (243.04)	72.67	(513.27)
Furniture and fixtures (Previous Year)	58.87 (57.41)	1.72 (1.46)	-	60.59 (58.87)	30.04 (23.82)	0.20	9.25 (6.22)	-	39.49 (30.04)	21.10	(117.86)
Office equipment (Previous Year)	85.13 (80.00)	1.51 (5.13)	-	86.64 (85.13)	35.50 (27.03)	10.11	26.79 (8.47)	-	72.40 (35.50)	14.24	(28.83)
Computers (Previous Year)	41.93 (40.84)	0.87 (1.09)	-	42.80 (41.93)	33.13 (27.60)	4.29	2.71 (5.53)	-	40.13 (33.13)	2.67	(49.63)
Temporary Structures (Previous Year)	1,850.80 (1,444.74)	333.17 (418.98)	0.19 (12.92)	2,183.78 (1,850.80)	1,338.60 (934.71)	12.89	454.82 (414.98)	0.18 (11.09)	1,806.13 (1,338.60)	377.65	(8.80)
Total (Previous Year)	14,169.92 (13,957.65)	1,016.16 (1,447.84)	19.42 (1,235.57)	15,166.66 (14,169.92)	7,934.57 (6,581.01)	36.01	2,220.46 (1,981.69)	14.77 (628.13)	10,176.27 (7,934.57)	4,990.39	(6,235.35)

**(b) Intangible assets**

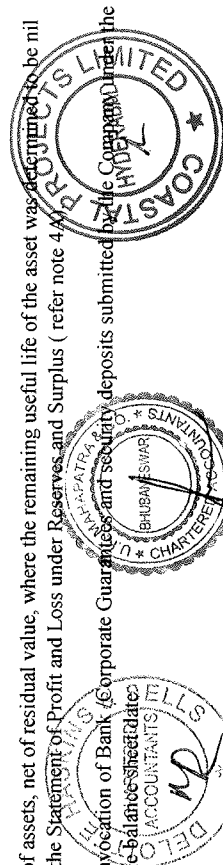
Particulars	Gross Block - At Cost				Amortisation				Net Block		
	As at 31 March, 2014	Additions	Disposals	As at 31 March, 2015	Upto 31 March, 2014	Adjustments (refer note 1 below)	For the Year	On Disposals	Upto 31 March, 2015	As at 31 March, 2015	As at 31 March, 2014
Software	7.50	0.01	-	7.51	5.04	2.17	0.29	-	7.50	0.01	-
(Previous Year)	(7.50)	-	-	(7.50)	(3.40)	-	(1.64)	-	(5.04)	-	(2.46)
Total	7.50	0.01	-	7.51	5.04	2.17	0.29	-	7.50	0.01	-
(Previous Year)	(7.50)	-	-	(7.50)	(3.40)	-	(1.64)	-	(5.04)	-	(2.46)
Grand Total	14,177.42	1,016.17	19.42	15,174.17	7,939.61	38.18	2,220.75	14.77	10,183.77	4,990.40	-
(Previous Year)	(13,965.15)	(1,447.84)	(1,235.57)	(14,177.42)	(6,584.41)	-	(1,983.33)	(628.13)	(7,939.61)	-	(6,237.81)

**Note:**

1. The Company has adopted the useful lives of fixed assets as specified in Part C of Schedule II of the Companies Act, 2013 effective 1 April, 2014. Consequently, the depreciation / amortisation is higher by ₹ 318.12 million, for the current year.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 24.97 million (net of deferred tax of ₹ 13.21 million) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus (refer note 4).

2. Additions to fixed assets during the current year includes ₹ 626.65 million, towards assets taken back by the Company from the lessors, upon invocation of Bank Corporate Guarantees and security deposits submitted by the Company under the sale and lease back arrangement, due to non-payment of the lease rentals. The documentation relating to the transfer of assets is in progress as at the balance sheet date.



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**13. Non-current investments**

(₹ in Million)

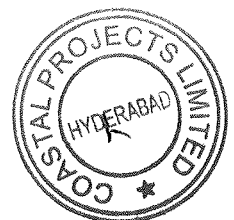
Particulars	As at 31 March, 2015		As at 31 March, 2014	
	No of Shares	Amount	No of Shares	Amount
<b>Trade investments (Unquoted)(At Cost) [Refer note 8(ii)(6)]</b>				
<b>Investments in equity instruments</b>				
<b>a. In Subsidiaries</b>				
<u>In shares of ₹ 10 each, fully paid up</u>				
Jal Power Corporation Limited (Refer note 13.1 & 13.2)	94,786,900	1016.20	94,786,900	1016.20
Ujjawala Power Private Limited (Refer note 13.3)	10,000	0.10	10,000	0.10
Para Hydro Power Private Limited	10,000	0.10	10,000	0.10
Rebby Hydro Power Private Limited	10,000	0.10	10,000	0.10
Badao Hydro Power Private Limited	10,000	0.10	10,000	0.10
Grandeur Power Projects Private Limited	10,000	0.10	10,000	0.10
<u>In shares of Sri Lankan Rupee 10 each, fully paid up</u>				
Coastal Lanka Private Limited, Sri Lanka (*Valued at Rs. 3.94)	1	*	1	*
<u>In shares of Euro 1 each, fully paid up</u>				
Coastal Transnational Ventures (CY) Limited, Cyprus (Refer note 39)	10,000	401.97	10,000	401.97
<b>b. In Associate</b>				
<u>In shares of Nepalese Rupee 100 each, fully paid up</u>				
Nepal Jalabidyut Pravardan Tatha Bikas Limited, Nepal	241,908	170.00	241,908	170.00
<b>c. In Jointly controlled entity</b>				
<u>In shares of ₹ 10 each, fully paid up</u>				
Solapur Toll Ways Private Limited	-	-	4,900	0.05
<b>d. In other entity</b>				
<u>In shares of ₹ 10 each, fully paid up</u>				
Dharmasala Hydro Power Project Limited	1,018,000	10.18	1,018,000	10.18
		<b>1,598.85</b>		<b>1,598.90</b>
Aggregate amount of unquoted investments		<b>1,598.85</b>		<b>1,598.90</b>

**Note:**

**13.1.** 36,612,510 (31 March, 2014: 23,612,510) equity shares have been pledged and 17,824,250 (31 March,2014:17,824,250) shares of our subsidiary company Jal Power Corporation Limited are escrowed by L & T Infrastructure Finance Company Limited towards the loan availed by the Company.

**13.2.** 36,110,750 (31 March, 2014: 36,110,750) equity shares have been pledged with the Power Finance Corporation Limited towards the loan availed by Company's wholly owned subsidiary viz. Jal Power Corporation Limited.

**13.3.** 10,000 (31 March, 2014: 10,000) equity shares have been pledged with the Hindustan Clean energy Limited (formerly Moser Baer Clean Energy Limited) towards the loan availed by the Company's wholly owned subsidiary viz. Ujjawala Power Private Limited.





**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**14: Deferred tax assets (Refer note 42)**

(₹ in Million)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Deferred tax assets on timing difference due to:</b>		
Difference between book balance and tax balance of fixed assets	405.70	148.71
Business loss	774.11	503.12
Unabsorbed depreciation carried forward	520.73	434.98
Provision for gratuity and compensated absences	8.89	12.31
Unrealised foreign exchange loss	6.73	38.93
<b>Total</b>	<b>1,716.16</b>	<b>1,138.05</b>

**15: Long-term loans and advances**  
(Unsecured, considered good)

(₹ in Million)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
Capital advances	769.36	790.89
Security deposits	1,295.94	984.28
Loans and advances to related parties: (Refer note 37)		
Share application money pending allotment	422.84	422.84
Receivable from subsidiary (Invocation of corporate guarantee) (Refer Note 39)	1,029.90	1,029.90
Advance taxes paid [net of provision for tax ₹ 483.49 million (31 March, 2014: ₹ 472.63 million)]	394.27	296.81
Other deposits	68.43	80.08
<b>Total</b>	<b>3,980.74</b>	<b>3,604.80</b>

**16: Other non-current assets**  
(Unsecured, considered good)

(₹ in Million)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
Long term trade receivables:		
Retention money	697.95	754.88
Interest accrued on bank deposits	24.13	35.23
Others		
Balances with banks:		
Deposit accounts (Refer note below)	20.00	79.30
Margin money deposits [Refer notes 19 (i) & (ii)]	115.63	297.66
Other receivables (net of adjustments) (refer note 38)	3,273.09	746.47
<b>Total</b>	<b>4,130.80</b>	<b>1,913.54</b>

**Notes:**

Pledged with banks towards loans availed by the Company from the respective Bankers.

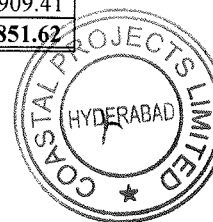
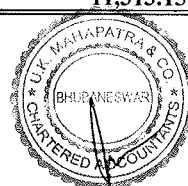
**17 Inventories**

(₹ in Million)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
Construction materials - at cost	2,767.23	2,553.98
Work-in-progress - lower of cost and net realisable value (refer note 38)	8,524.62	6,457.05
<b>Total</b>	<b>11,291.85</b>	<b>9,011.03</b>

**18: Trade receivables\* (refer note 38)**  
(Unsecured, considered good)

(₹ in Million)		
Particulars	As at 31 March, 2015	As at 31 March, 2014
Outstanding for a period exceeding six months from the date they were due for payment	5,416.70	3,942.21
Others	5,896.45	5,909.41
<b>Total</b>	<b>11,313.15</b>	<b>9,851.62</b>

\*Includes retention money ₹ 1,676.44 million (31 March 2014: ₹ 1,827.43 million).



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**19: Cash and bank balances**

(₹ in Million)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Cash and cash equivalents (as per AS 3 Cash Flow Statements)</b>		
Cash on hand	14.51	17.83
Bank balances:		
-in current accounts	198.97	161.24
<b>Total- (A)</b>	<b>213.48</b>	<b>179.07</b>
<b>Other bank balances</b>		
-in earmarked accounts		
Deposit accounts (Refer note (i) below)	224.58	188.35
Margin money deposits (Refer notes (i) & (ii) below)	40.14	238.93
<b>Total- (B)</b>	<b>264.72</b>	<b>427.28</b>
<b>Total Cash and cash equivalents bank balances (A+B)</b>	<b>478.20</b>	<b>606.35</b>

**Notes:**

- i) Pledged with banks towards guarantees, letters of credit issued and loans availed from the banks.
- ii) Pursuant to the Corporate Debt Restructuring (CDR) scheme approved vide Letter of Approval No.CDR (PMJ) No 71/2014-15 dated 28 April, 2014 by the Corporate Debt Restructuring (CDR) Cell, all the margin money deposits are proposed to be adjusted against the irregularities in the Working Capital Term Loan (WCTL) 1 & 2 of respective lenders.

**20: Short-term loans and advances**

(Unsecured, considered good)

(₹ in Million)

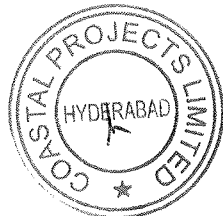
Particulars	As at 31 March, 2015	As at 31 March, 2014
Loans and advances to related parties (Refer note 37)		
Joint ventures	258.21	258.21
Others	184.01	197.26
Security deposits	11.17	260.03
Loans and advances to employees	4.19	28.49
Prepaid expenses	24.10	51.02
Balance with government authorities :		
Works contract tax receivable	294.02	395.16
Others:		
Advance to suppliers, sub-contractors and others (Refer note 40)	2,363.38	3,607.31
Mobilisation advance to sub-contractors	466.38	805.47
Receivable from directors (refer note 37)	15.20	-
Earnest money deposits	230.73	205.75
<b>Total</b>	<b>3,851.39</b>	<b>5,808.70</b>

**21: Other current assets**

(Unsecured, considered good)

(₹ in Million)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Unbilled revenue ( refer note 38)	8,880.39	7,162.60
Interest accrued on:		
Deposits with banks	10.10	23.02
Others (Refer note 37)	61.75	39.72
Other receivables	18.05	19.81
<b>Total</b>	<b>8,970.29</b>	<b>7,245.15</b>



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**22: Other income**

(₹ in Million)		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Interest income:		
- on deposits with banks	28.18	94.63
- from others	41.01	22.87
Insurance claims	6.48	25.65
Profit on sale of fixed assets (net)	-	184.71
Miscellaneous income	116.71	68.84
<b>Total</b>	<b>192.38</b>	<b>396.70</b>

**23: Cost of materials consumed**

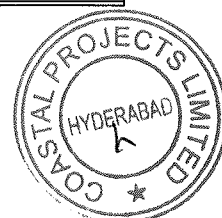
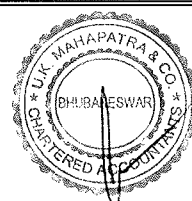
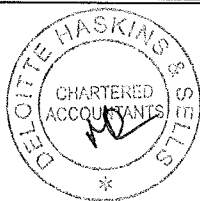
(₹ in Million)		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Opening stock	2,553.98	2,278.64
Add: Purchases	4,198.63	4,381.20
Less: Closing stock	2,767.23	2,553.98
<b>Total</b>	<b>3,985.38</b>	<b>4,105.86</b>

**24: Change in inventories of work-in-progress**

(₹ in Million)		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Work-in-progress</b>		
Opening stock	6,457.05	4,555.84
Less: Closing stock	8,524.62	6,457.05
<b>Total</b>	<b>(2,067.57)</b>	<b>(1,901.21)</b>

**25: Construction expense**

(₹ in Million)		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Sub-contract expenses	2,446.45	2,789.74
Labour charges	1,345.60	1,318.66
Job-work charges	1,273.41	819.82
Power and fuel	821.63	1,129.47
Royalty and seigniorage charges	128.31	114.68
Freight and transportation charges	157.14	119.59
Construction site rental charges	26.78	52.40
Repairs and maintenance		
Construction equipment	30.21	129.25
Others	67.66	83.27
Construction equipment hire charges (Refer note 44)	690.51	887.21
Technical and consultancy charges	54.14	28.50
Other construction expenses	36.36	151.32
<b>Total</b>	<b>7,078.20</b>	<b>7,623.91</b>



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**26: Employee benefits expense**

(₹ in Million)

Particulars	For the Year ended 31 March, 2015	For the Year ended 31 March, 2014
Salaries and wages	926.78	1,381.88
Contribution to provident and other funds	25.40	37.86
Staff welfare expenses	57.24	66.68
<b>Total</b>	<b>1,009.42</b>	<b>1,486.42</b>

**27: Finance costs**

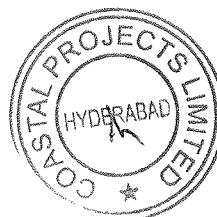
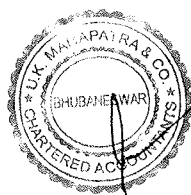
(₹ in Million)

Particulars	For the Year ended 31 March, 2015	For the Year ended 31 March, 2014
Interest expense on		
-Debentures	51.85	145.55
-Term loans	2,755.17	1,607.27
-Working capital demand loan and cash credit facilities	1,697.47	1,839.25
-Others	535.51	172.77
Bank and other finance charges	164.53	382.47
<b>Total</b>	<b>5,204.53</b>	<b>4,147.31</b>

**28: Other expenses**

(₹ in Million)

Particulars	For the Year ended 31 March, 2015	For the Year ended 31 March, 2014
Rent	8.87	8.37
Insurance	31.59	80.62
Rates and taxes	214.93	164.02
Legal and professional	115.98	169.49
Directors' sitting fees	-	0.02
Auditors' remuneration (excluding service tax)		
-Audit fees	5.52	5.20
-Tax audit fees	0.20	0.05
-Certification fees	0.77	0.45
-Out of pocket expenses	0.58	-
Net loss on foreign currency transactions and translation	19.45	240.98
Other receivables written off	205.69	-
Loss on sale of fixed assets	0.44	-
Miscellaneous expenses	113.18	234.18
<b>Total</b>	<b>717.20</b>	<b>903.38</b>



**COASTAL PROJECTS LIMITED**
**Notes forming part of the Financial Statements**
**29: Disclosure pursuant to Accounting Standard (AS) 7 – “Construction Contracts”**

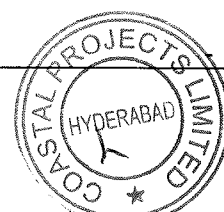
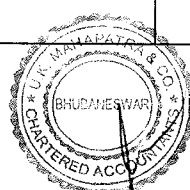
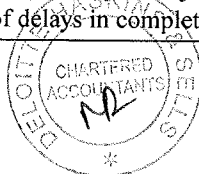
(₹ in Million)

Particulars	As at / For the year ended 31 March, 2015	As at / For the year ended 31 March, 2014
Contract revenue recognised as income during the year (net of indirect taxes)	13,491.12	14,475.35
Aggregate of costs incurred and recognised profits (less recognised losses) up to the reporting date	89,460.88	79,745.77
Advances received for contracts in progress	2,677.53	3,182.88
Retention money for contracts in progress	2,374.39	2,582.31
Gross amount due from customers for contract work	9,636.71	8,024.19

**30: Contingent liabilities**

(₹ in Million)

Particulars	As at 31 March, 2015	As at 31 March, 2014
a) Counter guarantees given to banks [includes guarantees given on behalf of Joint Ventures ₹ 2,722.34 million (31 March, 2014: ₹ 5,363.58 million)]	11,208.33	14,007.09
b) Corporate guarantees given to banks for financial assistance extended to a subsidiary and a joint venture	300.00	300.00
c) Claims against the company not acknowledged as debt:		
Interest on debentures [Refer note 5.1.(d)]	68.87	68.87
Interest on debentures [Refer note 5.1A.(e)]	45.26	-
Lease rentals	107.27	-
d) Pending litigations		
(i) Certain cases were filed by the below lender/suppliers in respect dishonor of cheques issued for repayment of borrowing including interest/dues L&T Infrastructure Finance Company Limited Central Bank of India Tata Motors Finance Limited Aditya Birla Finance Limited Kotak Mahindra Bank Limited Reliable Agencies	Amount not ascertainable	-
(ii) Certain cases were filed by the below lender in respect delay/non-repayment of borrowing including interest Central Bank of India HDFC Limited Bajaj Finance Limited Tata Motors Finance Limited Kotak Mahindra Bank Limited Export Import Bank Ltd IFCI Limited	Amount not ascertainable	-
(iii) The Company has disputed the valuation of adjusted equity shares, made by IDFC towards repayment of the dues, with Debt Recovery appellate tribunal.	Amount not ascertainable	-
(iv) The Company is a party to various arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending litigations until the cases are decided by the appropriate authorities.	Amount not ascertainable	-
e) Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of project	Amount not ascertainable	-

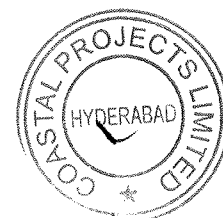


**COASTAL PROJECTS LIMITED****Notes forming part of the Financial Statements****31: Capital and other commitments****(₹ in Million)**

<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
<b>Capital commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advances of ₹ 769.36 million (31 March, 2014: ₹ 790.89 million)]	49.42	333.98
<b>Other commitments</b>		
a) Commitment towards investment in companies [Net of advances of ₹ 32.01 million (31 March 2014: ₹ 32.01 million)]	119.89	119.89
b) Commitment towards investments in new hydro power companies to be set up in Arunachal Pradesh:	Amounts indeterminate.	Amounts indeterminate.

**32: CIF value of imports****(₹ in Million)**

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
Capital goods	-	108.48
Construction materials	31.30	73.56
<b>Total</b>	<b>31.30</b>	<b>182.04</b>



**COASTAL PROJECTS LIMITED**  
**Notes forming part of the Financial Statements**

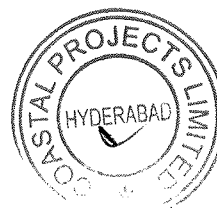
**33: Expenditure in foreign currency ( on accrual basis)**

Particulars	(₹ in Million)	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Travelling expenses	1.18	0.65
Professional and consultancy charges	4.32	7.01
<b>Total</b>	<b>5.50</b>	<b>7.66</b>

**34. Earnings per share**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>(a) Basic</b>		
Loss after tax (₹ in Million)	(3,910.36)	(2,732.22)
Weighted average number of equity shares outstanding (Nos.)	1,91,63,468	1,88,13,672
Earnings per share - Basic (₹)	(204.05)	(145.23)
Face value per share (₹)	10.00	10.00

\*Note: The effect of dilution on account of compulsory convertible debentures / compulsory convertible preference shares being anti-dilutive, "Diluted EPS" is restricted to "Basic EPS".



# COASTAL PROJECTS LIMITED

## Notes forming part of the Financial Statements

### 35. Employee benefit plans

#### A) Defined contribution plans

The Company makes provident fund contribution which is defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 25.60 million (2013-14: ₹ 39.81 million) for provident fund contributions in the statement of profit and loss. The contribution payable to the plan by the Company are at rates specified in the rules of the scheme.

#### B) Defined benefit plans

(i) Liability for retiring gratuity as on 31 March, 2015 is ₹ 16.59 million (31 March, 2014: ₹ 9.26 million) and funded with the "Coastal Projects Employee Gratuity Trust - LIC". The liability for gratuity has been actuarially determined and provided for in the books.

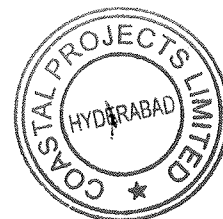
(ii) Details of the company's post-retirement gratuity plans for its employees including directors and chairman are given below, and certified by the actuary and relied upon by the auditors.

(iii) Disclosure in respect of gratuity as required under Accounting Standard 15-Employee Benefits:

#### A. Gratuity:

(₹ in Million)		
Particulars	For the year ended / As at 31 March, 2015	For the year ended / As at 31 March, 2014
<b>Component of employer's expense</b>		
Current service cost	4.64	4.79
Interest cost	1.91	2.93
Expected return on plan assets	(1.15)	(1.15)
Net actuarial gain recognised in the year	1.93	(10.60)
Expenses recognised in the statement of profit and loss	<b>7.33</b>	<b>(4.03)</b>
<b>Net Liability recognised in the balance sheet</b>		
Present value of defined benefit obligation	28.49	23.83
Fair value of plan assets	(11.90)	(14.57)
Liability recognised in the balance sheet	<b>16.59</b>	<b>9.26</b>
<b>Change in defined benefit obligation during the year</b>		
Opening defined benefit obligation	23.83	31.47
Current service cost	4.64	4.79
Interest cost	1.91	2.93
Actuarial gain	1.93	(10.60)
Benefits paid	(3.82)	(4.76)
Closing defined benefit obligation	<b>28.49</b>	<b>23.83</b>
<b>Changes in fair value of plan assets</b>		
Opening fair value of plan assets	14.57	18.18
Expected return	1.15	1.15
Contributions	-	-
Benefits paid	(3.82)	(4.76)
Closing fair value of plan assets	<b>11.90</b>	<b>14.57</b>
<b>Actuarial assumptions</b>		
Discount rate	8.00%	9.30%
Expected rate of return on assets	9.00%	6.75%
Salary escalation rate	10.00%	10.00%
Attrition rate	15.00%	15.00%
Mortality table	LIC(2006-08)	LIC(2006-08)
<b>Movement in the net liability recognised in the balance sheet</b>		
Opening net liability	9.26	13.29
Expenses recognised in the statement of profit and loss	7.33	(4.03)
Provision for minimum wage employees - actuals*	-	8.42
Closing net liability	<b>16.59</b>	<b>17.68</b>
Long-term	13.88	7.01
Short-term	2.71	10.67

\* Provision for minimum wage employee who have completed 5 years of continuous service has been computed based on actuals.





**COASTAL PROJECTS LIMITED****Notes forming part of the Financial Statements**

(iv) The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

(₹ in Million)

Experience adjustment	For the Years Ended 31 March,				
	2015	2014	2013	2012	2011
Present value of defined benefit obligation	28.49	23.84	31.47	38.81	28.33
Fair value of plan assets	11.90	14.57	18.18	17.42	17.07
Status [deficit]	(16.59)	(9.26)	(13.29)	(21.39)	(11.26)

(v) The discount rate is based on the prevailing market yield on Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(vi) The expected rate of return on plan assets is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

(vii) The estimate of future salary increase considered takes into account the inflation, seniority and other relevant factors.

**(viii) Asset information:**

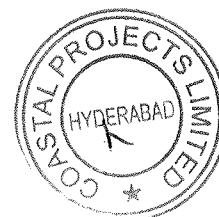
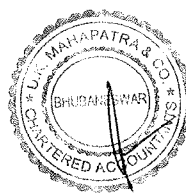
(₹ in Million)

Category of assets	As at 31 March, 2015		As at 31 March, 2014	
Insurer managed funds- Life Insurance Corporation of India	11.90	100%	14.57	100%

(ix) In accordance with the "Payment of Gratuity Act, 1972" the Company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognised Gratuity Fund managed by Life Insurance Corporation of India and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end. The management understands that insurers overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

(x) Actuarial assumptions for compensated absences :

	As at 31 March, 2015	As at 31 March, 2014
Discount rate	8.00%	9.30%
Salary escalation rate	10.00%	10.00%
Attrition rate	15.00%	15.00%
Mortality table	LIC(2006-08)	LIC(2006-08)

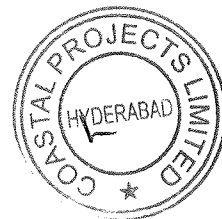


**COASTAL PROJECTS LIMITED****Notes forming part of the Financial Statements****36: Segment Information**

The Company's operations predominantly consist only of construction activities. Hence, there are no reportable segments under Accounting Standard – 17. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary by the management. Accordingly, there are no other reportable segments.

**37: Related Party Disclosures****A) Following is the list of related parties and there relationship:**

Subsidiaries	Jal Power Corporation Limited Coastal Lanka Private Limited Coastal Transnational Ventures (CY) Limited Ujjawala Power Private Limited Grandeur Power Projects Private Limited Badao Hydro Power Private Limited Para Hydro Power Private Limited Rebby Hydro Power Private Limited
Associate	Nepal Jalabidyut Pravardan Tatha Bikas Limited
Joint Ventures (Jointly Controlled Operations):	Nuziveedu - Swathi – Coastal AKR – Coastal Coastal - Srivijetha Aban - Coastal HCC - Coastal Coastal – Patel – Jyothi - CBE CPPL - Chongqing Essar - DEC – CPPL Coastal – TTS GYT - Coastal
Key Management Personnel (KMP):	Mr. S. Surendra -Chairman / Director Mr. G. Hari Hara Rao –Managing Director Mr. Sridhar Nivarthi -Director
Enterprises owned or significantly influenced by key management personnel or their relatives	Selection Aluminium Wires Private Limited Sabbineni Holdings Private Limited Coastal Sirohi Power Limited Humming Bird Soft Solutions Private Limited Siddhi Vinayak Power Generation & Distributors Pvt Limited



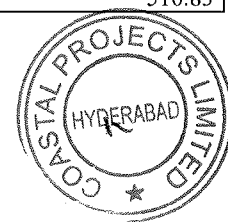
**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**37: Related Party Disclosures (contd....)**

**B) Transactions with Related Parties:**

(₹ in Million)

Particulars	Relationship	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>Contract revenue</b>			
Jal Power Corporation Limited	Subsidiary	64.13	291.32
AKR – Coastal	Joint Venture	-	44.96
Aban – Coastal	Joint Venture	-	41.47
GYT - Coastal	Joint Venture	817.78	932.49
HCC- Coastal	Joint Venture	1,079.07	893.01
Coastal – TTS	Joint Venture	814.87	1,346.98
CPPL – Chongqing	Joint Venture	320.04	72.83
Essar- DEC- CPPL	Joint Venture	6.28	12.27
<b>Interest income</b>			
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	22.03	22.06
<b>Share application money paid</b>			
Coastal Lanka Private Limited	Subsidiary	-	0.50
<b>Promoter's contribution received</b>			
Mr. S. Surendra	Key Management Personnel	-	1,677.27
<b>Interest free unsecured loan</b>			
Mr. S. Surendra	Key Management Personnel	87.37	-
<b>Allotment of Equity Shares</b>			
Mr. S. Surendra	Key Management Personnel	-	364.86
<b>Allotment of CCP shares including premium</b>			
Mr. S. Surendra	Key Management Personnel	1,312.41	-
<b>Advances received</b>			
Jal Power Corporation Limited	Subsidiary	527.67	898.08
Siddhi Vinayak Power Generation & Distributors Pvt Ltd	Companies in which significant influence is exercised	-	174.09
<b>Loans and advance given</b>			
Nuziveedu - Swathi – Coastal	Joint Venture	2.17	4.17
CPPL – Chongqing	Joint Venture	-	108.48
S. Surendra	Key Management Personnel	2.75	-
G. Hari Hara Rao	Key Management Personnel	8.95	-
N. Sridhar	Key Management Personnel	3.50	-
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	-	106.46
<b>Loans and Advance Recovered / Adjusted</b>			
Jal Power Corporation Limited	Subsidiary	624.72	546.14
Nuziveedu - Swathi – Coastal	Joint Venture	13.12	1.01
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	13.26	44.99
Siddhi Vinayak Power Gen & Dist Pvt Ltd	Companies in which significant influence is exercised	3.41	170.68
<b>Mobilisation advance received</b>			
HCC - Coastal	Joint Venture	0.62	-
Aban - Coastal	Joint Venture	-	106.38
CPPL – Chongqing	Joint Venture	-	67.25
<b>Material advance received</b>			
GYT - Coastal	Joint Venture	447.63	554.27
<b>Material advance Adjusted</b>			
GYT - Coastal	Joint Venture	239.78	510.83



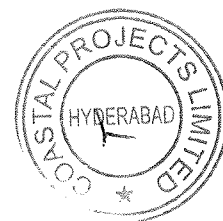
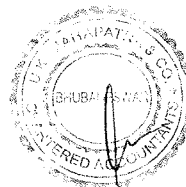
**COASTAL PROJECTS LIMITED**

Notes forming part of the Financial Statements

**37: Related Party Disclosures (contd....)****B) Transactions with Related Parties:**

(₹ in Million)

Particulars	Relationship	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>Mobilisation advance repaid / Adjusted</b>			
Jal Power Corporation Limited	Subsidiary	-	10.43
Coastal - TTS	Joint Venture	53.83	160.00
HCC - Coastal	Joint Venture	34.71	65.80
Aban - Coastal	Joint Venture	-	106.39
GYT - Coastal	Joint Venture	101.38	133.81
<b>Machinery advance repaid / Adjusted</b>			
Jal Power Corporation Limited	Subsidiary	-	20.87
<b>Managerial remuneration</b>			
Mr. S. Surendra	Key Management Personnel	-	30.32
Mr. G. Hari Hara Rao	Key Management Personnel	-	8.95
Mr. Sridhar Nivarthi	Key Management Personnel	-	3.49
Mr. P.Srinivasan	Key Management Personnel	-	4.16
Mr. P.Vasudeva Rao	Key Management Personnel	-	2.10
Mr.K.Raghavendra Rao	Key Management Personnel	-	2.36



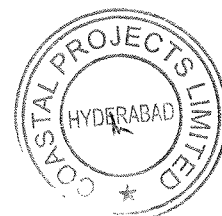
**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

**37: Related Party Disclosures**

**C) Related Party Balances:**

(₹ in Million)

Particulars	Relationship	As at 31 March, 2015	As at 31 March, 2014
<b>Trade receivables</b>			
AKR – Coastal	Joint Venture	45.23	45.57
Aban – Coastal	Joint Venture	48.48	48.48
Coastal - Patel - Jyothi – CBE	Joint Venture	196.34	27.45
HCC – Coastal	Joint Venture	617.38	393.26
GYT-Coastal	Joint Venture	179.54	34.37
CPL-TTS	Joint Venture	117.42	-
Essar - DEC – CPPL	Joint Venture	4.92	4.73
<b>Investment in Equity shares</b>			
Jal Power Corporation Limited	Subsidiary	1,016.20	1,016.20
Coastal Lanka Private Limited (*Valued at Rs. 3.94)	Subsidiary	-*	-*
Coastal Transnational Ventures (CY) Limited	Subsidiary	401.97	401.97
Ujjawala Power Private Limited	Subsidiary	0.10	0.10
Grandeur Power Projects Private Limited	Subsidiary	0.10	0.10
Badao Hydro Power Private Limited	Subsidiary	0.10	0.10
Para Hydro Power Private Limited	Subsidiary	0.10	0.10
Rebby Hydro Power Private Limited	Subsidiary	0.10	0.10
Solapur Toll Ways Private Limited	Subsidiary	-	0.05
Nepal Jalabidyut Pravardan Tatha Bikas Limited	Associate	170.00	170.00
<b>Advance towards Share application money</b>			
Coastal Sirohi Power Limited	Subsidiary	100.00	100.00
Grandeur Power Projects Private Limited	Subsidiary	32.01	32.01
Coastal Lanka Private Limited	Subsidiary	24.16	24.16
Coastal Transnational Ventures (CY) Limited	Subsidiary	266.67	266.67
<b>Promoter's contribution received</b>			
Mr. S. Surendra -Chairman / Director	Key Management Personnel	-	1,312.41
<b>Interest receivable</b>			
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	61.75	39.72
<b>Loans /Advances receivable</b>			
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	184.01	217.26
CPPL – Chongqing	Joint Venture	258.21	258.21
S. Surendra	Key Management Personnel	2.75	-
G. Hari Hara Rao	Key Management Personnel	8.95	-
N. Sridhar	Key Management Personnel	3.50	-
Nuziveedu - Swathi – Coastal	Joint Venture	691.52	702.47
<b>Advances payable</b>			
Jal power corporation	Subsidiary	384.96	482.02
Siddhi Vinayak Power Generation & Distributors Pvt Ltd	Companies in which significant influence is exercised	-	3.41
<b>Mobilisation advance payable</b>			
Jal Power Corporation Limited	Subsidiary	222.91	222.91
Coastal – TTS	Joint Venture	203.70	257.52
GYT - Coastal	Joint Venture	100.37	201.74
HCC - CPL	Joint Venture	73.88	108.59
Coastal – Patel – Jyothi - CBE	Joint Venture	410.53	410.53
CPPL – Chongqing	Joint Venture	67.25	67.25



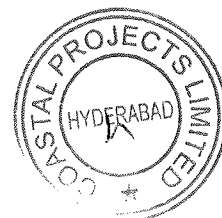
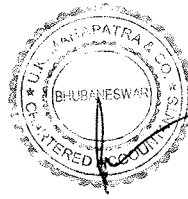
**COASTAL PROJECTS LIMITED**  
**Notes forming part of the Financial Statements**

**37: Related Party Disclosures**

**C) Related Party Balances:**

(₹ in Million)

<b>Material advance payable</b> GYT - Coastal	Joint Venture	251.29	43.43
<b>Machinery advance payable</b> Jal Power Corporation Limited	Subsidiary	228.35	228.35
GYT - Coastal	Joint Venture	106.60	106.60
<b>Other Receivable</b> Coastal Transnational Ventures (CY) Limited (Refer note 39)	Subsidiary	1029.90	1,029.90
<b>Corporate guarantee</b> Nuziveedu - Swathi - Coastal	Joint Venture	300.00	300.00
<b>Counter guarantee</b> HCC - Coastal	Joint Venture	1952.95	1,885.79
GYT-Coastal	Joint Venture	-	938.66
Coastal - TTS	Joint Venture	-	1,794.12
Essar- DEC- CPPL	Joint Venture	45.76	45.76
Coastal - Patel - Jyothi - CBE	Joint Venture	545.95	525.95
CPPL - Chongqing	Joint Venture	95.50	82.00
AKR - Coastal	Joint Venture	82.18	91.30
<b>Managerial Remuneration Payable</b> Mr. S. Surendra	Key Management Personnel	-	25.18
Mr. G. Hari Hara Rao - Managing Director	Key Management Personnel	-	11.06
Mr. Sridhar Nivarthi - Whole time Director (from 1 October, 2013)	Key Management Personnel	-	3.49
Mr. P. Srinivasan	Key Management Personnel	-	2.51
Mr. Sushil Bhagat - Director (up to 3 September, 2012)	Key Management Personnel	-	4.49



**COASTAL PROJECTS LIMITED**  
Notes forming part of the Financial Statements

- 38:** There are certain projects which are stalled due to delay in obtaining clearances, non-receipt of dues, and non-availability of working capital. The Company is negotiating with these project customers, who are primarily government undertakings / departments for recovery of dues and recommencement of project works. The Company based on its assessment and considering the invocation of Strategic Debt Restructuring Scheme (SDR) by the lenders and lenders continued financial support as explained in Note 1, the Company is hopeful of recovery of its entire dues, realisation of contracts in progress and recommence the stalled project works. Accordingly, an aggregate amount of ₹ 5,468.81 million, [Trade receivables included in Note 18 ₹ 382.01 million, Contracts-in progress included in Note 17 ₹ 1,339.35 million, Unbilled Revenue included in Note 21 ₹ 2,617.29 million, invoked bank guarantees (net of advances received) included in Note 16 ₹ 1,130.16 million] has been considered as good and no provision have been made as at 31 March, 2015 against such amounts recoverable from the projects.
- 39:** The Company has an investment of ₹ 401.97 million (31 March, 2014: ₹ 401.97 million) in Coastal Transnational Ventures (CY) Limited, Cyprus ("CTVL") a wholly owned subsidiary and has advanced share application money aggregating to ₹ 266.67 million (31 March, 2014: ₹ 266.67 million) as at 31 March, 2015. The Company had also given a corporate guarantee of USD 15.68 million, in favour of EXIM Bank, towards loan availed by CTVL to finance its acquisition of equity shares in SELI -Societa Esecuzione Lavori Idraulici SPA, Italy ("SELI"), which specializes in the manufacture of Tunnel Boring Machines (TBMs) and its maintenance. CTVL has an investment of Euro 19,410,000 in SELI, as at 31 March, 2015. The Company had acquired TBMs from SELI in the prior years and avails its services, for the maintenance of such TBMs. During the previous year, EXIM Bank had invoked the corporate guarantee and recovered ₹ 1,029.90 million from the Company.

Based on the audited financial statements, CTVL has incurred loss of ₹ 22.59 million for the previous year ended 31 March, 2014 and its accumulated loss of ₹ 276.25 million as at 31 March, 2014 has substantially eroded its net worth. Although, the net worth of CTVL has been substantially eroded, no provision for diminution in the value of investment of ₹ 401.97 million and share application money of ₹ 266.67 million and provision for doubtful receivable from subsidiary (against invocation of corporate guarantee) of ₹ 1,029.90 million has been made by the Company having regard to the call option available to the Company to realise its investment, as detailed hereunder.

A shareholders' agreement was entered on 2 August, 2012, between the Company, CTVL and Qinhuangdao Tianye Tolian Heavy Industry Co. Limited, China, ("Tolian") who has the controlling stake in SELI. Pursuant, to the terms of agreement, CTVL has the call option, which can be exercised between July 2013 to July 2016, to withdraw its investment in SELI at an agreed fixed price with a specified rate of return on its investment or fair market value, whichever is higher. In the event the option is not exercised by CTVL, before July 2016, the Company, CTVL and Tolian, should re-negotiate, based on 31 July 2016 option price and same criteria should be used for the period of time, subsequent to the expiration date. In case of a dead lock, Tolian has an irrevocable right to acquire the shares held by CTVL at the option price or fair market value determined by an independent expert, whichever is higher. CTVL has not exercised the option to sell its investment to Tolian during the year, considering the long term business interests. The realisable value of the call option is higher than the carrying value of the investment held by CTVL in SELI as at 31 March, 2015.

- 40:** Advance to suppliers, sub-contractors and others include an amount of ₹ 87.08 million (31 March, 2014: ₹ 113.18 million) adjusted by a IDBI Bank Limited from the Company's bank account towards interest sacrificed by them. As per the minutes of the Joint Lenders Forum (JLF) held on 25 July, 2014 it was proposed that the amount should be refunded to TRA Account or to be adjusted against future interest payable to the lender. Hence, the same has been recognised as other advance pending future adjustments.
- 41:** During previous year, as per the promoters' undertaking dated 29 March, 2014, between the Company, Promoters' and State Bank of India (Monitoring Institution) for Corporate Debt Restructuring (CDR) an amount aggregating ₹ 961.98 million, was contributed by promoters' and their affiliates towards interest free unsecured loan. Promoter has further brought in ₹ 45.29 million towards settlement of dues of the Company.

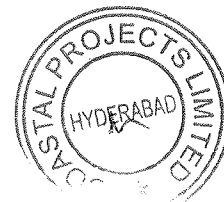
In terms of an amendment agreement to the Master Restructuring Agreement dated 26 May, 2014 and pursuant to the CDR Scheme approved vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014 by the CDR Cell, an amount of ₹ 364.86 million bought in by the promoter as of the cut-off date i.e. 31 July, 2013 has been converted into equity comprising of 352,695 equity shares of ₹ 10 each, and the balance is disclosed as promoter's contribution (Refer note 4B).

Further, upon invocation of the pledge by IDFC Limited, 33,85,939 equity shares of ₹ 10 each held by the promoters in the Company, has been transferred to IDFC Limited during the previous year. IDFC Limited has adjusted an amount of ₹ 670 million against its dues, based on its internal valuation. Such adjusted amount of ₹ 670 million has been disclosed as promoters' contribution not attracting interest. [Refer Notes 4B and 5.1]. The promoters' along with the Company had filed an appeal with respect to the valuation of adjusted equity shares with Debt Recovery appellate tribunal on 31 July, 2014.

During the year, the Company has allotted 131,241,105 Compulsory Convertible Preference Shares against promoter's contribution.

- 42:** The Company has business loss of ₹ 3,741.48 million (31 March, 2014: ₹ 2,759.92 million), including unabsorbed depreciation of ₹ 1,504.67 million (31 March, 2014: ₹ 1,279.73 million) as at the balance sheet date, computed as per the provisions of the Income Tax Act, 1961. The Company has recognised Deferred Tax Asset on business loss (including unabsorbed depreciation) aggregating to ₹ 1,294.85 million (31 March, 2014: ₹ 938.10 million) besides deferred tax asset on other timing differences.

During the previous year, the Company had applied for Corporate Debt Restructuring (CDR) and the same was approved by the CDR cell vide its approval letter dated 28 April, 2014. Loss incurred during the current year and in the previous year, was primarily due to lack of working capital resulting in delays in execution projects. Based, on the future projections, considered under the CDR Scheme which was taken on record by the Board of Directors and having regard to the present order book position, improvement of future cash flows and profitability, the Company expects to fully realise the deferred tax asset in the near future.



**COASTAL PROJECTS LIMITED****Notes forming part of the Financial Statements**

- 43: The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Foreign Currency in Million	₹ in Million	foreign Currency in Million	₹ in Million
Buyers Credit	-	-	USD 17.66	1,061.06
	-	-	EURO 0.91	74.74

44: **Details of leasing arrangement**

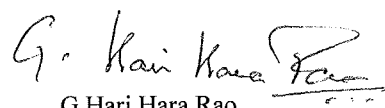
The Company has entered into operating lease arrangement for certain construction equipment. The lease is non-cancellable for a period of 5 years:

Particulars	(₹ in Million)	
	As at 31 March, 2015	As at 31 March, 2014
Future minimum lease		
Not later than one year	531.77	787.43
Later than one year and not later than five years	376.61	1,847.01
Later than five years	-	-
<b>Total</b>	<b>908.38</b>	<b>2,634.44</b>
Lease payments recognised in the Statement of profit	690.51	887.21


- 45: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

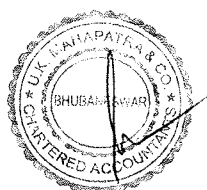
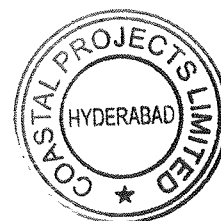
For and on behalf of the Board of Directors

  
N. Sridhar  
Director Finance

  
G. Hari Hara Rao  
Managing Director

Date : 28 October, 2015  
Place: Hyderabad

  
N. Varalakshmi  
Company Secretary





## **AUDITOR'S REPORT**

**To the Members of Coastal Projects Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **COASTAL PROJECTS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries and associate together referred to as ("the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Management is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 group.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers



internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

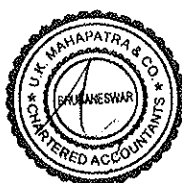
We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Basis for Qualified Opinion**

- a) *As stated in Note 41 to the financial statements, the deferred tax asset of Rs.1,716.16 million has been recognized. In the absence of virtual certainty supported by convincing evidence, recognition of such deferred tax asset is not in accordance with Accounting Standard 22 "Accounting for Taxes on Income". Had such deferred tax asset not been recognised, loss after tax for the period would have been higher by ₹ 564.91 million, and the balances in Reserves and Surplus, and Deferred Tax Assets as at 31 March, 2015 would have been lower by ₹1,716.16 million.*
- b) *As stated in Note 38 to the financial statements, the Company has an investment of Rs. 401.97 million in Coastal Transnational Ventures (CY) Limited, Cyprus ("CTVL") (a wholly owned overseas subsidiary), which was not consolidated as part of consolidated financial statements due to non-availability of Financial Statements of CTVL. Further, as stated in the said Note, the Company has also advanced share application money aggregating ₹ 266.67 million as at 31 March, 2015 and has an amount of ₹ 1029.90 million recoverable from this subsidiary towards a corporate guarantee that was given to a Bank on behalf of the subsidiary that was invoked by the Bank. The management of the Company has concluded that as at 31 March, 2015, no provision is required in respect of these balances for the reasons stated in the said Note 38. In the absence of sufficient appropriate evidence about the Company's ability to realise the carrying value of the aforesaid assets through the exercise of the option held by CTVL to realise its assets and meet its obligations to the Company, we are unable to comment on the carrying value of investment including share application money and the recoverability of the amounts due from this subsidiary and if any provision for diminution / impairment is required as at 31 March, 2015 to the carrying value of these assets.*

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters specified in the Basis of Qualified Opinion paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2015 and their consolidated loss for the year ended on that date.



**Emphasis of Matter-**

1. As stated in Note 3 of the consolidated financial statements, the Holding Company has increased its authorised share capital and allotted compulsorily convertible preference shares to the Chairman/Director aggregating Rs.7, 500.00 million and Rs.1, 312.41 million respectively. The holding company is in the process of filing requisite statutory documents with the Registrar of Companies to give effect to the above changes. Our opinion is not qualified in respect of these matters.
2. We invite attention to Notes 1 and 37 of the consolidated financial statements, relating to the invocation of the Strategic Debt Restructuring Scheme and expected financial support by the lenders for recommencement of the stalled projects, consequent to which these financial statements have been prepared on a going concern basis and no provision is considered necessary with respect to the amounts recoverable from stalled projects. Our opinion is not qualified in respect of these matters.

Our Opinion is not qualified in respect of these matters

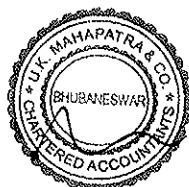
**Other Matters**

- (a) We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets of Rs. 11,352.75 million as at 31 March, 2015, total revenues of Rs.455.95 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 0.023 million for the year ended 31 March, 2015 as considered in the consolidated financial statements, in respect of one associate entity, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, 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 reports of the other auditors and the financial statements / financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (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 reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss 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 financial statements comply with the Accounting Standards 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 of the Holding Company as on 31 March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the subsidiary companies, incorporated in India is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.
  - ii. The Holding Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies incorporated in India.

For U. K. Mahapatra & Co.  
Chartered Accountants  
(Registration No. 320039E)



Place: Bhubaneswar

Date: 28 October, 2015

  
(Uttam Kumar Mahapatra)  
Partner  
Membership No. 54892

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).

Our reporting on the order includes two subsidiary companies incorporated in India, to which the order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of other auditor, to the extent considered applicable for reporting under the Order in the case of consolidated financial statements.

- (i) In respect of its fixed assets of the Holding Company, subsidiary companies incorporated in India
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for certain low value items.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that the management is in the process of reconciling the assets physically verified with asset register and further, any discrepancies arising would be dealt with on completion of such reconciliation
- (ii) In respect of its inventories of the Holding Company, subsidiary companies incorporated in India
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Companies and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the records of inventories maintained by Companies need to be strengthened in relation raw material and stores and spares and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies incorporated in India have granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
  - (a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.



- (b) In the absence of stipulations, we are unable to comment whether any overdue amounts of over Rs.1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Holding Company, subsidiary companies incorporated in India and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system, except that needs to strengthen its systems and procedures relating to documentation.
- (v) According to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies incorporated in India have not accepted any deposit to which directives issued by Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of Companies Act, 2013, or Rules framed thereunder are applicable, during the year.
- (vi) According to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies incorporated in India we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues the Holding Company, subsidiary companies incorporated in India
- (a) The group
- (i) has generally been regular in depositing undisputed statutory dues of Employees' State Insurance, Wealth Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (ii) has not been regular in depositing undisputed statutory dues of Provident Fund, Income-tax, Service Tax and Work Contract Tax with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31,



2015 for a period of more than six months from the date they became payable *except the following.*

(₹ in Million)

Name of Statute	Nature of Dues	Amount Involved	Period to which the Amount Relates	Due Date
The Income Tax Act, 1961	Tax Deducted at Source	25.81	2011 – 12	Various
		115.25	2012 – 13	Various
		96.95	2013 -14	Various
		56.93	2014 -15	Various
	Interest on Tax Deducted at Source	113.91	2011-12,12-13, 13-14 & 14-15	Various
The Income Tax Act, 1961	Income Tax Demand (Search assessment)	80.05	2005-06 to 2011-12	30 April 2014
Wealth Tax Act 1957	Wealth Tax	0.38	2012-13	Various
The Finance Act, 1994	Service Tax	77.94	2014-15	Various
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	5.72	2014-15	Various
	Interest on Provident Fund	5.92	2013-14& 2014-15	Various
Tax on Professions,	Professional	0.31	2014-15	Various



Name of Statute	Nature of Dues	Amount Involved	Period to which the Amount Relates	Due Date
Trades, Callings and Employment Act	Tax			
The West Bengal Tax on Entry of Goods into Local Area Act, 2012	Entry Tax	0.22	2012-13 & 2013-14	Various
The Karnataka Tax of Entry of Goods Act, 1979		0.07	2012-13	Various
The Himachal Pradesh Tax on Entry of Goods into Local Area act, 2010		0.12	2012-13	Various

In respect of Jal Power Corporation Limited, a subsidiary of the Holding company incorporated in India:

Sl. No.	Statutory Liability	(₹ in Million)
1	Environment Cess	3.42
2	Tax Deducted at Source	3.63
3	Works Contract Tax	7.04
4	Labour Welfare Cess	0.23
5	Provident Fund	0.24
6	Professional Tax	0.095
7	Royalty	3.44
Total		18.10

- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes.
- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The accumulated losses of the group at the end of the financial year are not less than fifty percent of its net worth and the group has incurred cash losses during the financial year covered by our audit and has incurred cash losses in the immediately preceding financial year.





- (ix) In our opinion and according to the information and explanations given to us, and having regard to the Corporate Debt Restructuring (CDR) Scheme which has been implemented with effect from 31 July, 2013, the holding Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders *except as stated below*:

(₹ in Million)

Particulars	Principal	Interest	Period of delay (in days)
Financial Institutions – Debentures	330	27.34	1 to 180 days
		126.09	181 to 602 days
Financial Institutions – Loans	-	16.16	1 to 180 days
		6.91	181 to 365 days
Banks – Loans	-	1,356.78	1 to 180 days
		104.89	181 to 365 days

In respect of Jal Power Corporation Limited, a subsidiary of the Holding company incorporated in India:

(₹ in Million)

S.No	Particulars	Delay upto 30 days	Delay 31-90 days	More than 90 days
1	Interest Liability	136.54	134.48	250.98

- (x) In our opinion and according to the information and explanations given to us and the other auditors the terms and conditions of the guarantees given by the Holding Company, subsidiary companies incorporated in India, for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the group.
- (xi) In our opinion and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies incorporated in India, during the year for the purposes for which they were obtained.



- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, subsidiary companies incorporated in India and no material fraud on the Holding Company, subsidiary companies incorporated in India has been noticed or reported during the year.

Place: Bhubaneswar

Date: 28 October, 2015



For U. K. Mahapatra & Co.  
Chartered Accountants  
(Registration No. 320039E)

A handwritten signature in black ink, appearing to read "Uttam Kumar Mahapatra".

(Uttam Kumar Mahapatra)  
Partner  
Membership No. 54892

**COASTAL PROJECTS LIMITED**  
**Consolidated Balance Sheet as at 31st March, 2015**

(₹ in Million)

Particulars	Note No.	As at 31 March, 2015
<b>I. EQUITY AND LIABILITIES</b>		
(1) Shareholders' funds		
(a) Share capital	3	1,522.52
(b) Reserves and surplus	4	1,778.02
		<b>3,300.54</b>
(2) Minority Interest		<b>916.68</b>
(3) Non-current liabilities		
(a) Long-term borrowings	5	31,622.83
(b) Other long-term liabilities	6	445.79
(c) Long-term provisions	7	24.02
		<b>32,092.64</b>
(4) Current liabilities		
(a) Short-term borrowings	8	16,356.75
(b) Trade payables	9	-
(i) Due to micro and small enterprises		-
(ii) Others		2,585.78
(c) Other current liabilities	10	6,490.14
(d) Short-term provisions	11	90.29
		<b>25,522.96</b>
<b>TOTAL</b>		<b>61,832.82</b>
<b>II. ASSETS</b>		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets		7,124.61
(ii) Intangible assets	12	1.01
(iii) Capital work-in-progress		7,795.89
		<b>14,921.51</b>
(b) Goodwill on consolidation		<b>85.12</b>
(c) Non-current investments	13	636.87
(d) Deferred tax assets(Net)	14	1,739.86
(e) Long-term loans and advances	15	3,349.25
(f) Other non-current assets	16	4,202.42
		<b>9,928.40</b>
(2) Current assets		
(a) Inventories	17	11,291.85
(b) Trade receivables	18	11,386.92
(c) Cash and cash equivalents	19	786.40
(d) Short-term loans and advances	20	4,407.35
(e) Other current assets	21	9,025.27
		<b>36,897.79</b>
<b>TOTAL</b>		<b>61,832.82</b>
Corporate Information and Significant Accounting Policies	1 & 2	

See accompanying notes forming part of the financial statements

In terms of our report attached

**For U.K. Mahapatra & Co.**

Chartered Accountants

(Registration No:320039E)

*Uttam Kumar Mahapatra*

Uttam Kumar Mahapatra

Partner

(Membership No:54892)

**For and on behalf of the Board of Directors**

*N. Sridhar*  
N. Sridhar  
Director Finance

*N. Lakshmi*  
N. Lakshmi  
Company Secretary

*G. Hari Hara Rao*  
G. Hari Hara Rao  
Managing Director

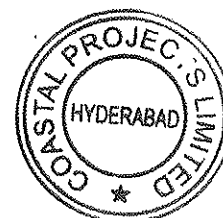
Date :28 October,2015

Place: Hyderabad



Date : 28 October,2015

Place: Hyderabad



**COASTAL PROJECTS LIMITED**
**Consolidated Statement of Profit and Loss for the year ended 31 March, 2015**
**(₹ in Million)**

Particulars	Note No.	For the year ended 31 March, 2015
<b>I. Revenue</b>		
(a) Revenue from construction contracts (net)		13,426.99
(a) Revenue from Operations		420.29
(b) Other income	22	228.06
<b>Total Revenue</b>		<b>14,075.34</b>
<b>II. EXPENSES :</b>		
(a) On construction contracts:		
(i) Cost of materials consumed	23	3,985.38
(ii) Change in inventories of work-in-progress	24	(2,067.57)
(iii) Construction expenses	25	7,026.29
(b) Employee benefits expense	26	1,052.80
(c) Finance costs	27	6,238.52
(d) Depreciation and amortisation expenses	12	2,473.30
(e) Other expenses	28	756.89
<b>Total expenses</b>		<b>19,465.61</b>
<b>Less: Directly attributable expenditure transferred to Capital work-in-progress</b>		<b>(922.78)</b>
<b>III. Loss before tax (I-II)</b>		<b>(4,467.49)</b>
<b>IV. Tax expense /(Benefit):</b>		
Current Tax		
Short / (Excess) provision for tax relating to prior years		10.86
Deferred tax		(519.53)
<b>Net tax benefit</b>		<b>(508.67)</b>
<b>IVA. Minority Interest</b>		<b>(0.06)</b>
<b>IVB. Share of Profit from Associate</b>		<b>(0.02)</b>
<b>V. Loss for the year (III-IV-IVA+IVB)</b>		<b>(3,958.78)</b>
<b>VI. Earnings per share - (Face value of ₹ 10 each)</b>		
Basic & Diluted	33	(206.58)
Corporate information and significant accounting policies	1 & 2	

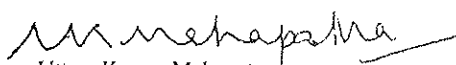
See accompanying notes forming part of the financial statements

In terms of our report attached

**For U.K. Mahapatra & Co.**

Chartered Accountants

(Registration No:320039E)



Uttam Kumar Mahapatra

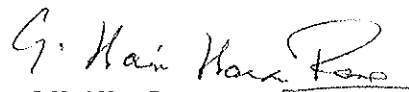
Partner

(Membership No:54892)

**For and on behalf of the Board of Directors**



N. Sridhar

Director Finance



G. Hari Hara Rao

Managing Director



N. Varalakshmi

Company Secretary

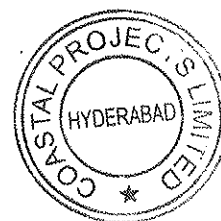
Date :28 October,2015

Place: Bhubaneswar



Date : 28 October,2015

Place: Hyderabad



## COASTAL PROJECTS LIMITED

### Notes forming part of the Consolidated Financial Statements

#### 1. Significant accounting policies

##### Overview:

Coastal Projects Limited ("the Company", "CPL") was incorporated as a private limited company in 1995 and converted into Public Company in 2010. The Company specialises in Underground excavation works of Hydro Electric Projects, Underground Power House Complexes, Rail Tunnels, Water Carriage Tunnels, Shafts, Buildings, Electricals, Road works, etc.

The lenders (banks and financial institutions) of the Company had agreed to a Corporate Debt Restructuring (CDR) scheme as of 31 July, 2013 ("Cut-off date"). Accordingly, the Company and the lenders had entered into a Master Restructuring Agreement dated 29 March, 2014 and further amended vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014. The package envisages, restructuring of borrowings (terms loans and equipment loans). The excess drawings in the working capital has been converted into Working Capital Term Loans (WCTL 1 and 2) and the interest from 31 July, 2013 ("Cutoff date") to 31 March, 2014 has been converted into Funded Interest Term Loan (FITL). The financial statements have been prepared after giving effect to the restructuring package.

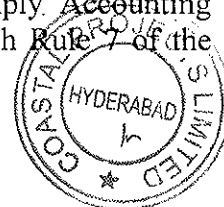
As certain lenders had not complied with the requirements of CDR the Company could not meet the envisaged turnaround in the operations during the year ended 31 March, 2015. The lenders have therefore invoked Strategic Debt Restructuring Scheme (SDR) on 25 July, 2015, the Company has submitted a revised restructuring plan. The Company is confident that the lenders would be implementing the revised restructuring plan and provide working capital support to the Company. Based on the above, these financial statements have been prepared on a going concern basis.

The Company has following subsidiaries and associates (collectively referred to as "the Group"), which are included in consolidated financial statements and Company's holding is as follows:

Entity	Country of incorporation	% Holding 2014-15
<b>Subsidiaries:</b>		
Jalpower corporation Limited	India	50.18%
Ujjawala Power Private Limited	India	100%
Para Hydro Private Limited	India	100%
Rebby Hydro Private Limited	India	100%
Badao Hydro Private Limited	India	100%
Grandeur Power Projects Private Limited	India	100%
Coastal Lanka Private Limited	Sri Lanka	100%
Coastal Transnational Ventures(CY) Limited	Cyprus	100%
<b>Associates:</b>		
Nepal Jalbidyut Pravarthan Tatha Bikash Limited	Nepal	41.11%

##### a) Basis of preparation of financial statements

The consolidated financial statements of the group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the



## COASTAL PROJECTS LIMITED

### Notes forming part of the Consolidated Financial Statements

Companies (Accounts) Rules, 2014 and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

#### b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known /materialize.

#### c) Current and noncurrent classification

All assets and liabilities have been classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- b) It is held primarily for the purpose of being traded; or
- c) It is expected to be realized within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of following criteria:

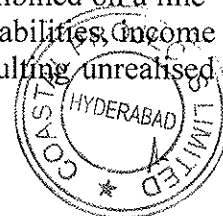
- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

#### d) Principles of consolidation

The consolidated financial statements relate to Coastal Projects Limited ("the Company") and its subsidiaries, associates and jointly controlled entities (collectively referred to as "the Group"). The special purpose consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised



## COASTAL PROJECTS LIMITED

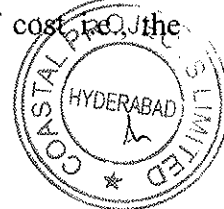
### Notes forming part of the Consolidated Financial Statements

profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated in full as per AS-21 "Consolidated Financial Statements" issued under Companies (Accounting Standards) Rules, 2006. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

- The excess / deficit of cost to the parent company of its investment in the subsidiaries, associates and jointly controlled entities over its portion of equity at the respective dates on which investment in such entities were made is recognized in the financial statements as goodwill / capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.
- Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- The Group accounts for investments by the equity method of accounting in accordance with AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements" issued under Section 133 of the Companies Act, 2013, where it is able to exercise significant influence over the operating and financial policies of the investee. Inter company profits and losses have been proportionately eliminated until realised by the investor or investee.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31 March 2015.
- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- The consolidated financial statements are prepared to the extent possible, using uniform accounting policies for like transactions and other events in similar circumstances.
- Intra-group balances and intra-group transactions and resulting unrealised profits / loss has been eliminated.
- In case of foreign subsidiaries being non-integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in "Foreign Currency Translation Reserve"
- Investments in subsidiaries, jointly controlled entities and associates not considered for consolidation, if any, have been accounted as per Accounting Standard (AS) 13- "Accounting for Investments" specified under Section 133 of Companies Act, 2013.

#### e) Inventories

Construction materials are valued at cost. Cost is determined on First-In-First-Out basis excluding refundable duties and taxes. Work-in-progress is valued at lower of cost to the contract rate less estimated profit margin and net realisable value.



## COASTAL PROJECTS LIMITED

### Notes forming part of the Consolidated Financial Statements

#### f) Fixed assets

**Tangible assets:** Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes directly attributable expenses incurred to bring the assets for its intended use. Depreciation on Fixed Assets is provided on written down value method over the useful life of the assets estimated by the Management. In the case of one foreign subsidiary, Coastal Lanka Private Limited, domiciled in Sri Lanka, depreciation is provided on Straight Line Method.

**Intangible assets:** Intangible assets are carried at cost less accumulated amortisation. Cost includes directly attributable expenses incurred to bring the assets for its intended use.

**Capital work-in-progress:** Expenditure incurred towards assets (acquired/internally constructed) which are not ready for their intended use are carried at cost. Cost comprises of direct costs incurred, related incidental expenses and attributable borrowing costs.

#### g) Investments

Investments are classified as non-current and current Investments. Non-current investments are carried at cost less provision for diminution in value, if any which is other than temporary in the value of such investments. Current Investments are valued at lower of cost or fair value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

#### h) Revenue recognition

##### Contract revenue:

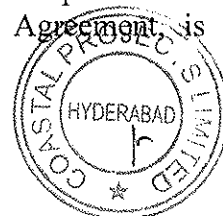
Contract Revenue (net of taxes and duties) is recognised at the reporting date of the financial statements under percentage of completion method:

- i) With reference to the proportion the contract cost incurred for work performed bears to the estimated total contract costs for each contract activity.
- ii) With reference to the stage of completion determined by survey of work performed and/or completion of a physical portion of the contract, as the case may be, and acknowledged by the contractee.
- iii) Anticipated losses, if any, are recognised as expense immediately.
- iv) Price escalation and other claims and/or variation in the contract value are included in contract revenue, as per contractual terms, only when negotiations have reached an advanced stage and it is probable that customer will accept the claim/escalation/variation and the amount can be measured reliably.

##### Joint ventures:

Contract Revenue from construction activities and contracts executed in joint ventures under work sharing arrangements (being Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 Financial Reporting of Interests in Joint Ventures), are recognised on the same basis as similar contracts independently executed by the Company.

Share of turnover attributable to the Company in respect of contracts executed by the other joint venture partners and the share of turnover attributable to the other joint venture partners in respect of contracts executed by the Company pursuant to Joint Venture Agreement, is accounted under Contract Revenue.





## COASTAL PROJECTS LIMITED

### Notes forming part of the Consolidated Financial Statements

#### Accounting for interests in joint venture projects

Type of Joint Venture	Accounting Treatment
Jointly Controlled Operations	(i) Company's share of revenue, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.  (ii) Advances in the integrated joint ventures are carried at cost net of Company's share in recognised profits or losses.

#### i) Employee benefits

The estimated liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits". A brief description of the employee benefits are as follows:

##### Gratuity:

The Group has an obligation towards gratuity, a defined retirement benefit plan covering all eligible employees. The plan provides for lump sum payment in accordance with the Payment of Gratuity Act, 1972, to vested employees on retirement, death while in employment or on separation. Vesting occurs on completion of five years of service. The Group accounts for the liability for future gratuity benefits on the basis of an independent actuarial valuation and funded under a Group Gratuity Plan Scheme sponsored with Life Insurance Corporation of India. Actuarial gains or losses are recognised immediately in the Statement of Profit and Loss.

##### Provident fund:

All eligible employees of the Company are entitled to receive benefits under the Provident Fund Scheme, a defined contribution plan to which both the employee and employer contribute monthly at a determined rate and the Company has no further obligation.

##### Compensated absences:

Liability for compensated absences is accrued and provided on the basis of an independent actuarial valuation as at the period end.

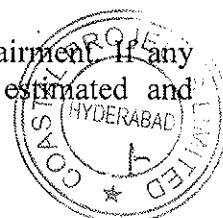
#### j) Depreciation and amortisation

##### Tangible/ Intangible Assets

Depreciation and Amortization on fixed assets is provided on Written down Value method based on the life specified in Schedule II of the Companies Act, 2013, on pro-rata basis. Individual fixed assets costing Rs. 5,000 and below are fully depreciated in the period of capitalization. One of the subsidiaries of the Company, Coastal Lanka Pvt Ltd, which is domiciled in Sri Lanka is following Straight Line Method (SLM) for calculating depreciation on Fixed Assets.

#### k) Impairment of assets

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and



## COASTAL PROJECTS LIMITED

### Notes forming part of the Consolidated Financial Statements

impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

#### l) Leases

**Premises:** The leasing arrangements with respect to lease of premises are usually cancellable /renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.

**Construction equipment:** The leasing arrangements with respect to lease of construction equipment range up to 5 years and are usually non-cancellable. The aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.

#### m) Borrowing costs

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised as part of cost of the assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss

#### n) Foreign currency transactions and translations

Transactions made during the period in foreign currency are recorded at the exchange rate prevailing at the time of transactions or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the period-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on actual payment/realisation and period end reinstatement referred to above are recognised in the Statement of Profit and Loss.

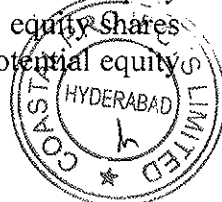
#### o) Taxation

Current tax is the amount of tax payable on taxable income for the period determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax - Deferred tax resulting from "timing differences" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognised only to the extent that there is a virtual certainty that such assets will be realised in future. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

#### p) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, "Earnings Per Share". Basic earnings per share is computed by dividing the net profit/loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding at the period end. Diluted earnings per share is computed by dividing net profits/loss for the period, adjusted for the effects of dilutive potential equity shares, by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the period except where the results are anti dilutive. Dilutive potential equity



## COASTAL PROJECTS LIMITED

### Notes forming part of the Consolidated Financial Statements

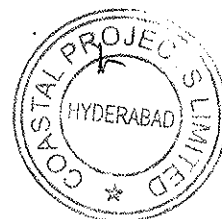
shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The number of shares and potentially dilutive shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

#### q) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

#### r) Operating cycle

The Company's activities (primarily engineering, procurement and construction (EPC) activities in the infrastructure space) have an operating cycle that exceeds a period of twelve months. The Company has chosen the duration of the individual contracts as its operating cycle, wherever appropriate, for classification of current assets and current liabilities into current and non-current.



**COASTAL PROJECTS LIMITED**
**Notes to consolidated financial statements (continued)**
**3: Share capital**

Particulars	(₹ in Million)	
	As at 31 March, 2015 No of Shares	As at 31 March, 2015 Amount
<b>Authorised:</b>		
Equity shares of ₹ 10 each [Refer note (a) below]	600,000,000	6000.00
	<b>600,000,000</b>	<b>6000.00</b>
Compulsorily convertible preference shares of ₹ 10 each [Refer note (a) below]	150,000,000	1500.00
	<b>150,000,000</b>	<b>1,500.00</b>
<b>Issued, Subscribed and fully paid:</b>		
Equity shares of ₹ 10 each	19,163,468	191.63
Compulsorily convertible preference shares of ₹ 10 each [Refer note 3(a) & (b) below]	133,089,346	1,330.89
<b>Total</b>		<b>1,522.52</b>

**Notes:**

a) Pursuant to the approval of shareholders during their extra-ordinary general meeting held on 16 March, 2015,

(i) The authorised share capital has been increased from ₹ 250 million comprising of 22,000,000 equity shares of ₹ 10 each and 3,000,000 compulsory convertible preference shares of ₹ 10 each to ₹ 7,500 million comprising of 600,000,000 equity shares of ₹ 10 each and 150,000,000 compulsory convertible preference shares of ₹ 10 each. The Company is in the process of filing requisite forms with the registrar of companies and payment of filing fees for enhancement of authorised capital.

ii) The Company has allotted on 16 March, 2015 fully paid Compulsorily convertible preference shares of 131,241,104 having face value of ₹ 10 each to Mr. S.Surendra, promoter and is in the process of filing requisite forms with Registrar of Companies.

b) During the previous year, pursuant to the approval of the shareholders' of the company in the Extra-ordinary general meeting, held on 29 March, 2014, the company has issued fully paid compulsorily convertible preference shares of 1,848,242 having face value of ₹ 10 each to M/s Blue Bird Pharma Holding LLC, USA.

**c) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year:**

Particulars	Year ended 31 March, 2015	
	Number of Shares	Amount (in Millions)
<b>Equity shares</b>		
Opening balance	19,163,468	191.63
Add: Issued during the year	-	-
<b>Closing balance</b>	<b>19,163,468</b>	<b>191.63</b>
<b>Compulsorily convertible preference shares</b>		
Opening balance	1,848,242	18.48
Add: Issued during the year	131,241,104	1312.41
<b>Closing balance</b>	<b>133,089,346</b>	<b>1,330.89</b>

**d) Rights, preferences and restrictions:**
**i) Rights, preferences and restrictions attached to equity shares:**

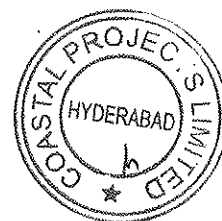
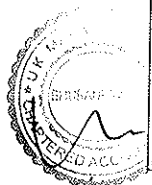
The Company has one class of Equity shares having a face value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders' in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding. There are no restrictions attached to the Equity shares and dividend declaration except as contained in the articles of association of the company and in the corporate debt.

**ii) Rights, preferences and restrictions attached to compulsorily convertible preference shares:**

The Company has one class of Compulsorily convertible preference shares having face value of ₹ 10 each. 131,241,104 number of CCPS will be converted into 13,12,41,104 number of equity shares of ₹ 10 each per share with in one year from the date of allotment. 1,848,242 number of CCPS will be converted into 17,866 equity shares of ₹ 10 each at a premium of ₹ 1,024.50 per share at the end of fifth year, i.e. March 2019.

**e) Details of shares held by each shareholder holding more than 5% shares:**

Name of the shareholder	As at 31 March, 2015	
	Number of shares	Percentage of holding
<b>i) Equity shares</b>		
Mr. S. Surendra	4,248,687	22.17%
Mrs. S. Shanti Sree	2,848,895	14.87%
Mr. S. Papayya	645,753	3.37%
Baring Private Equity Asia IV Mauritius Holdings (2) Limited, Mauritius	2,222,026	11.60%
CIM Trustees (Mauritius) Limited, Mauritius	1,680,652	8.77%
Sequoia Capital India Growth Investment Holdings	1,084,523	5.66%
IDFC Limited (refer note 41)	3,385,939	17.67%
<b>ii) Compulsorily convertible preference shares</b>		
M/s Blue Bird Pharma Holding LLC, USA	1,848,242	1.39%
Mr. S. Surendra	13,12,41,104	98.61%



**COASTAL PROJECTS LIMITED**
**Notes to consolidated financial statements (continued)**
**4: Reserves and surplus**

(₹ in Million)

Particulars	As at 31 March, 2015
<b>a) Securities premium account</b>	
Opening balance	3,527.48
Add: Premium on equity shares issued (Refer note below)	-
Closing balance	<b>3,527.48</b>
<b>b) (Deficit) / Surplus in statement of profit and loss</b>	
Opening balance	2,234.31
Add: Depreciation on transition to schedule II of Companies Act, 2013 (Net of Deferred Tax of ₹ 13.21 million)	(24.97)
Add: Loss for the year	(3,958.78)
Closing balance	<b>(1,749.44)</b>
<b>c) Foreign Currency Translation Reserve on consolidation of subsidiary</b>	
Opening balance	(0.03)
Add/(Less): Change during the year	0.01
Closing balance	<b>(0.02)</b>
<b>Total</b>	<b>1,778.02</b>

**Note:**

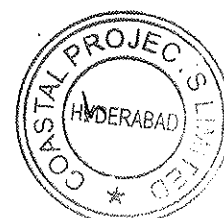
During the previous year, pursuant to the Corporate Debt Restructuring (CDR) terms and approval of the shareholders at the Extraordinary General meeting held on 29 March, 2014 the Holding Company had issued 352,695 equity shares at a price of ₹ 1,034.50 per share (face value ₹ 10 per share at a premium of ₹ 1,024.50 per share) to Mr.S.Surendra, promoter on a preferential basis, based on independent valuation.

**5: Long-term borrowings**

(₹ in Million)

Particulars	As at 31 March, 2015 Non- current	As at 31 March, 2015 Current
<b>a) Debentures</b>		
Secured		
14.38% Compulsory convertible debentures (Refer note 5.1)	-	330.00
12% Optionally Cumulative convertible debentures(Refer note 5.2)	899.55	-
<b>b) Term loans (Refer notes -5.3 - 5.9)</b>		
Secured		
From banks	18,921.15	938.54
From others	9,095.68	307.18
<b>c) Equipment loans (Refer notes -5.3 - 5.9)</b>		
Secured		
From banks	542.66	13.98
From others	2,163.79	636.36
<b>d) Other loans (Refer notes -5.3 - 5.9)</b>		
Interest free unsecured loan	-	87.37
<b>Total</b>	<b>31,622.83</b>	<b>2,313.43</b>

\* Current maturities of long term borrowings included under "Other current liabilities" (Refer note 10).



#### 5.1 14.38% Compulsory Convertible Debentures :- In respect of Holding Company

- a) 1,000 Compulsorily Convertible Debentures ("CCDs") of face value of ₹ 1,000,000 each carrying a coupon rate of 14.38% were issued to IDFC Limited ("IDFC") during 2010-11, which were convertible into 1,254,051 equity shares of ₹ 10 each at the end of 39 months from the date of issue i.e. 31 March 2011. These debentures are secured by immovable property of the Company and further secured by pledge of 3,385,939 equity shares held by promoters' and personal guarantee of promoters'.
- b) As per the amendatory option cum buy back agreement dated 24 May, 2013 entered with IDFC, upon happening of certain events or expiry of a particular timeline, the IDFC had the right to require the promoters' to purchase CCDs at a price with an earning of annualised pre-tax yield equal to the applicable rates compounded monthly on the outstanding investment, as adjusted for monthly interest already paid by the Company ("Put Option Price"). It was further agreed that in the event of failure on the part of the promoters to honour their obligations to purchase the CCDs, the Company is required to buyback the CCDs from IDFC for the price and other terms and conditions set out in option agreement.
- c) During the previous year ended 31 March, 2014, IDFC had exercised the Put Option requiring the promoters' to purchase CCDs which was not honoured by them. Further, as required by the amendatory option cum buy back agreement dated 24 May, 2013, the Company could not provide a buy back option within 15 days from the respective Put Option date, due to which IDFC in terms of the conditions laid in the pledge agreement dated 31 March, 2011 invoked 3,385,939 equity shares of ₹ 10 per share pledged by the promoter's. Accordingly, 3,385,939 pledged equity shares held by the promoters' have been transferred in the name of IDFC Limited on 19 November, 2013.
- d) IDFC vide its letter dated 13 November, 2013 to promoters' and the Company regarding pledged 3,385,939 equity shares of ₹ 10 each, has adjusted ₹ 670 million by invocation of the pledged shares on 19 November, 2013 which is transferred to extinguish debt and IDFC vide its letter dated 30 April, 2014 has requested the Company to pay the balance ₹ 330 million and interest amounting ₹ 170.46 million as at 31 March, 2014.

The Company has disputed the valuation of adjusted equity shares, made by IDFC towards repayment of the dues, with Debt Recovery appellate tribunal.

Pending settlement of the dispute, the Company has made a provision towards interest accrued and due of ₹ 168.53 million during the year end 31 March, 2015 (Refer note 10) and the balance of ₹ 68.87 million has been disclosed as contingent liability (Refer note 30).

During the current year the Company has made provision for interest based on the terms of the agreement.

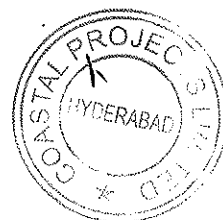
#### 5.1A Term loan from IFCI Limited:

- a) Pursuant to the Corporate Debt Restructuring (CDR) Scheme, these 15.00% Redeemable Debentures outstanding as at Cut-off date i.e. 31 July, 2013 amounting ₹ 750 million (excluding funded interest term loan) has been further converted into a term loan.
- b) IFCI Limited has filed an appeal for recovery on 14 August, 2014 before the Debt Recovery Tribunal, Delhi and claimed an amount of ₹ 831.17 million towards principal and interest dues as on June 30, 2014 .
- c) Pending settlement of the dispute the Company has recognised the Term loan of ₹ 734 million and Funded Interest Term Loan (FITL) of ₹ 84.98 million as per CDR scheme, and the balance of ₹ 45.26 million (including penal interest from July to March, 2015) is disclosed as contingent liability (Refer note.30).

#### 5.2 12% Optionally Cumulative Convertible Debentures : In respect of Ujwala Power Private Ltd

899,55,000 (Previous Year:899,55,000) 12% Optionally Cumulative Convertible Debentures of Rs.10 each redeemable/convertible at the option of holders after five years from the commercial operation date of the project of the subsidiary Company.

\*The security requirement under the debenture Agreement has been waived by the debenture holder post issuance of debentures.



**COASTAL PROJECTS LIMITED****Notes to consolidated financial statements (continued)****5.3 Term Loans (TL) / Equipment loans / Buyers credit:- In respect of Holding Company**

Pursuant to the Corporate Debt Restructuring (CDR) scheme approved vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014 by the Corporate Debt Restructuring (CDR) Cell, the Term Loans, Equipment loans and Buyers credit are restructured and the following lenders have been classified as CDR and Non - CDR lenders:

CDR Lender	Non -CDR Lender [refer note below]
Andhra Bank	Aditya Birla Finance Limited [refer note 5.3 (ii) below]
Axis Bank Limited	YES Bank Limited
Bank of Baroda	Tata Motors Finance Limited.
Bank of Maharashtra	Standard Chartered Bank,
Canara Bank	Siemens Financial Services Private Limited,
Central Bank of India*	Shriram Equipment Finance Company Limited.
Corporation Bank	Reliance Capital Limited.
Dhanalakshmi Bank*	Phoenix ARC Private Limited [refer note 5.3 (iii) below]
Export Import Bank of India	Magma Fincorp Limited,
ICICI Bank Limited	Kotak Mahindra Prime Limited
IDBI Bank Limited	Kotak Mahindra Bank Limited
IFCI Limited*	India Bulls Finance Limited
IndusInd Bank Limited* (note 5.3(iv))	IDFC Limited
ING Vysya Bank Limited	Bank of Bahrain and Kuwait
Karur Vysya Bank	Bajaj Finance Limited
L&T Infrastructure Finance Company Limited	
Oriental Bank of Commerce	
Punjab National Bank	
South Indian Bank Limited	
SREI Equipment Finance Limited	
State Bank of Bikaner & Jaipur	
State Bank of India	
State Bank of Hyderabad	
State Bank of Mauritius	
State Bank of Travancore	
Tata Capital Financial Services Limited	

\* CDR lenders yet to sign the Master Restructuring Agreement.

(i) Loans availed from Non-CDR lenders are proposed for reschedulement in terms of the Corporate Debt Restructuring (CDR) scheme.

(ii) As per the "Consent Minutes of Award" issued by the Arbitral Tribunal dated 1 April, 2014, Aditya Birla Finance Limited has been directed to restructure the Principal loan effective 31 July, 2013 in accordance with the CDR Scheme.

(iii) During the previous year HDFC Bank Limited has assigned and transferred all the facilities together with all underlying securities, interest thereto and all the rights, title and interests in all agreements, deeds and documents in relation to the facilities availed by Coastal Projects Limited to Phoenix ARC Private Limited.

(iv) During the current year, IndusInd Bank Limited has honored lease rentals payable by the Company to one of the vendor of the Company to the extent of ₹ 520 million.

**Pursuant to the Corporate Debt Restructuring (CDR) scheme, Term loans from banks and others includes the following:**

**a) Buyers Credit Term loans (BCTL)**

Buyers credit loan with Oriental Bank of Commerce, Axis Bank and ICICI Bank amounting ₹ 1,596.45 million has been restructured from Buyers credit to term loans.

**b) Corporate Guarantee Term Loan (CGTL)**

The Corporate Guarantee given to EXIM Bank for securing the loan availed by Company's wholly owned subsidiary Coastal Transnational Ventures (CY) Limited has been invoked amounting ₹ 1,029.90 million and restructured as Corporate Guarantee Term Loan (Refer note 36C)

**c) Working Capital Term Loan - 1 (WCTL-1)**

The amount of Working Capital which is in excess of the assessed Working Capital Limits as on Cut-Off date as per CDR Scheme and Letters of Credit (LCs) devolved amounting ₹ 4,564.87 million are restructured as Working Capital Term Loan-1.

**d) Working Capital Term Loan - 2 (WCTL-2)**

The amount of Bank Guarantees which are invoked amounting ₹ 2,252.38 million are restructured as Working Capital Term Loan-2.

**e) Funded Interest Term Loan (FITL)**

The interest accrued and due on borrowings for CDR and Non-CDR lenders amounting ₹ 4,138.58 million (31 March, 2014: ₹ 1,988.34 million) has been converted as Funded Interest Term Loan.

**5.4** Pursuant to the Corporate Debt Restructuring (CDR) scheme, all long-term borrowings except 14.38% Compulsory Convertible Debentures to IDFC Limited and priority debt [which carries rate of interest at 2.25% above SBI base rate (effective 12.25% p.a)] carries rate of interest at 1.25% above SBI base rate (effective 11.25% p.a).

**5.5** Pursuant to the Corporate Debt Restructuring (CDR) scheme, Term loans, equipment loans and buyers credit loans are to be repaid after a moratorium period of 23 months from 31 July, 2013 (cut-off date) in 31 / 21 structured quarterly instalments.



**COASTAL PROJECTS LIMITED****Notes to consolidated financial statements (continued)****5.6 Nature of security and terms of repayment for secured borrowings:**

<b>5.6 (a). All Term Loans(TL/Equipment Loans/FITL/BCTL/WCTL) are secured / to be secured by:</b>	
<b>S.No</b>	<b>Particulars</b>
1	A first pari passu charge on the fixed assets of the Company's movable and immovable properties both present and future for all term loans other than Corporate guarantee term loan (CGTL) and such term loans having exclusive charge on certain assets.
2	A second pari passu charge on all the Current Assets both present and future of the Borrower for all term loans other than CGTL.
3	The exclusive securities including third party collaterals created in favour of any Lender shall continue to remain exclusive to respective Lenders
4	In the event of sale of any exclusive security of the Company, the same shall be available to the respective Lenders for meeting their respective dues and the surplus amount arising out of such sale of exclusive security of the Company, shall be available for meeting the dues of the Lenders on a pari-passu basis.
5	In the event of release of any exclusive security of the Company, the Lenders shall have a first pari-passu charge on such security.
6	Pledge of shares of all the subsidiaries / associate of the Company.
7	Personal guarantees of Chairman, Managing Director and relative of Chairman for all facilities under CDR.
8	Pledge of 100% unencumbered equity shares of the Company owned by the promoters' / group companies in favour of CDR lenders.

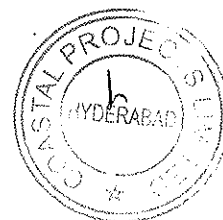
<b>5.6 (b). Additional Security for the term loans include:</b>	
<b>S.No</b>	<b>Particulars</b>
1	Loan from Axis Bank, Kotak Mahindra Bank Limited, The Karur Vysya Bank Limited, South India Bank Limited, SREI Equipment Finance Limited and IDBI Bank Limited is secured by Mortgage of property held by third parties, relatives and friends of the Chairman.
2	Loan from ICICI Bank is secured by hypothecation of identified equipment's and collateral security in the form of fixed deposit
3	Loan from Siemens Financial Services Private Limited are secured by way of exclusive charge on the machinery identified.
4	Loan from Aditya Birla Finance Limited, L&T Infrastructure Finance Company Limited, Tata Capital Financial Services Limited and IFCI Limited are secured by pledge of equity shares of the Company held by promoters and his relatives.
5	Corporate guarantee term loan from Export Import Bank of India (EXIM Bank) is secured by pledge of shares held by Company in Coastal Transnational Ventures (CY) Limited.
6	Loan from L&T Infrastructure Finance Company Limited are secured by way of pledge of 36,612,510 equity shares held by the Company in Jal Power Corporation Limited.
7	Loan from EXIM Bank is secured by : a) Mortgage of property held by Selection Aluminium Wires Private Limited, Humming Bird Soft Solutions Private Limited and relatives of Chairman.

**5.6 (c). Security terms for Term Loans from Banks availed by Ujwala Power Private Limited (UPPL)**

Term loans from banks includes Foreign currency term loan and Rupee term loans, which are secured by way of first-ranking mortgage on all the immovable Properties and assests of the company and by way of first-ranking charge on all movable properties of the company, assests, bank accounts, rights and interests under contracts and by way of first pledge of all the shares and OCCDs of "UPPL" and by way of first ranking charge through hypothecation over subordinated loans. The loan is repayable in fifty quarterly installments starting from 28th september 2013 as per the schedule of repayment agreed with the bank.

**5.6 (d). Security terms for Term Loans from Banks availed by Jal Power Corpoartion limited (JPCL)**

Term loans availed from Punjab National Bank & Power finance corporation Ltd, are secured by way of pledge of 3,61,10,750 equity share held by the holding company and subservient charge on movable & immovable assets, book debts, capital work in progress, bank accounts and all other assets of the "JPCL".





**COASTAL PROJECTS LIMITED**

Notes to consolidated financial statements (continued)

**5.7 Details of repayment terms of Term loans are:**
**5.7(a) From Banks - secured**

(₹ in Million)

S No	Particulars	Number of outstanding Loans As at	Outstanding balance As at	Number of Outstanding installments As at	Quarterly installments (Beginning - Ending)
		31-Mar-2015	31-Mar-2015	31-Mar-2015	
1	Axis Bank Limited	5	2,281.08	21 to 31	April, 2015 to March, 2023
2	ICICI Bank Limited	9	3,486.55	21 to 31	April, 2015 to March, 2023
3	Kotak Mahindra Bank Limited	1	281.70	31	July, 2015 to March, 2023
4	South Indian Bank Limited	4	949.03	21 to 31	April, 2015 to March, 2023
5	The Karur Vysya Bank Limited	3	299.60	21 to 31	April, 2015 to March, 2023
6	Central Bank of India	3	652.21	21 to 31	April, 2015 to March, 2023
7	Andhra Bank	4	271.75	21 to 31	April, 2015 to March, 2023
8	Bank of Maharashtra	3	834.09	21 to 31	April, 2015 to March, 2023
9	Bank of Baroda	3	150.26	21 to 31	April, 2015 to March, 2023
10	Canara Bank	3	265.73	21 to 31	April, 2015 to March, 2023
11	Corporation Bank	3	116.19	21 to 31	April, 2015 to March, 2023
12	Dhanalakshmi Bank	1	0.92	31	July, 2015 to March, 2023
14	ING Vysya Bank Limited	4	42.26	21 to 31	April, 2015 to March, 2023
15	Oriental Bank of Commerce	3	962.91	21 to 31	April, 2015 to March, 2023
16	Punjab National Bank	4	2,041.33	21 to 31	April, 2015 to March, 2023
17	Standard Chartered Bank	-	-	-	April, 2015 to March, 2023
18	State Bank of Hyderabad	5	559.95	21 to 31	April, 2015 to March, 2023
19	State Bank of India	4	1,352.83	21 to 31	April, 2015 to March, 2023
20	State Bank of Mauritius	3	49.24	21 to 31	April, 2015 to March, 2023
21	State Bank of Travancore	4	928.70	21 to 31	April, 2015 to March, 2023
22	IDBI Bank Limited	8	1,163.52	21 to 31	April, 2015 to March, 2023
23	State Bank of Bikaner & Jaipur	4	49.87	21 to 31	April, 2015 to March, 2023
24	Indus Ind Bank Limited	1	524.97	31	July, 2015 to March, 2023
25	Punjab National Bank	1	1,934.30	60	Jan 2014 to Dec 2029
26	Foreign Currency Term Loans	1	342.42	50	28-09-2013 to 28-3-2026
27	Rupee Term Loans	1	318.28	50	28-09-2013 to 28-3-2026
	<b>Total *</b>		<b>19,859.69</b>		

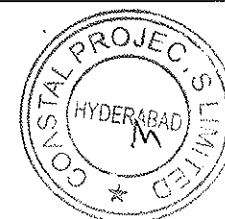
\* Includes current portion of ₹ 938.54 million

**5.7 (b) From Others - secured**

(₹ in Million)

1	Aditya Birla Finance Limited	2	617.28	31	July, 2015 to March, 2023
2	Export Import Bank of India	5	1,430.46	21 to 31	April, 2015 to March, 2023
3	L&T Infrastructure Finance Limited	7	1,673.24	21 to 31	April, 2015 to March, 2023
4	Siemens Financial Services Private Limited	1	126.16	31	July, 2015 to March, 2023
5	Tata Capital Financial Services Limited	3	905.24	21 to 31	July, 2015 to March, 2023
6	IFCI Limited	2	891.44	21 to 31	April, 2015 to March, 2023
7	Srei Equipment Finance Ltd	2	393.54	21	April, 2015 to September, 2020
8	Power Finance Corporation Ltd	1	3,365.50	60	Jan 2014 to Dec 2029
	<b>Total *</b>		<b>9,402.86</b>		

\* Includes current portion of ₹ 307.18 million



**COASTAL PROJECTS LIMITED**

Notes to consolidated financial statements (continued)

**5.8 Details of repayment terms of Equipment loans are :**
**5.8 (a) From Banks:**

(₹ in Million)

S No	Particulars	Number of outstanding Loans As at	Outstanding balance as at	Number of Outstanding installments As at	Quarterly installments (Beginning - Ending)
		31-Mar-2015	31-Mar-2015	31-Mar-2015	
1	Axis Bank Limited	1	47.73	31	July, 2015 to March, 2023
2	Bank of Bahrain and Kuwait	1	54.01	31	July, 2015 to March, 2023
3	Central Bank of India	1	56.30	31	July, 2015 to March, 2023
4	Dhanalakshmi Bank Limited	1	3.80	31	July, 2015 to March, 2023
5	ICICI Bank Limited	1	117.79	31	July, 2015 to March, 2023
6	Punjab National Bank	1	277.01	1 to 60	60 Quarterly EMIs
	<b>Total *</b>		<b>556.64</b>		

\* Includes current portion of ₹ 13.98 million

**5.8 (b) From Others:**

(₹ in Million)

S No	Particulars	Number of outstanding	Outstanding balance	Number of Outstanding	Quarterly installments (Beginning - Ending)
		31-Mar-2015	31-Mar-2015	31-Mar-2015	
1	Bajaj Auto Finance Limited	1	40.90	31	July, 2015 to March, 2023
2	India bulls Financial Services Limited	1	29.86	31	July, 2015 to March, 2023
3	Kotak Mahindra Prime Limited	1	3.49	31	July, 2015 to March, 2023
4	Magma Fincorp Limited	1	12.26	31	July, 2015 to March, 2023
5	Phoenix ARC Private Limited	1	233.25	31	July, 2015 to March, 2023
6	Reliance Capital Limited	1	39.56	31	July, 2015 to March, 2023
7	Shriram Equipment Finance Company Limited	1	100.93	31	July, 2015 to March, 2023
8	SREI Equipment Finance Limited	1	1,686.00	31	July, 2015 to March, 2023
9	Tata Capital Financial Services Limited	1	44.39	31	July, 2015 to March, 2023
10	Tata Motor Finance Limited	1	112.70	31	July, 2015 to March, 2023
11	Power Finance Corporation Ltd	1	496.81	1 to 60	60 Quarterly EMIs
	<b>Total *</b>		<b>2,800.15</b>		

\* Includes current portion of ₹ 636.36 million

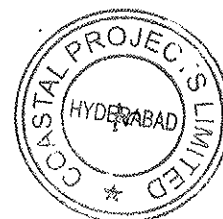
**5.9 The Holding Company has defaulted in repayment of loans and interest in respect of the following:**

Particulars	Period of Default As at 31 Mar 2015	Amount (₹ in Million)
<b>Debentures</b>		
Principal	602 Days	330.00
Interest	16 - 593 Days	153.42
<b>Term Loans</b>		
Interest	1 - 365 Days	8.82

**Note:**

(a) Pursuant to the Corporate Debt Restructuring (CDR) scheme principal and interest defaults up to 31 March, 2014 have been rescheduled with respect to CDR lenders.

(b) The above excludes, the defaults in repayment of loan and interest as at 31 March 2015, with respect to Non-CDR lenders,



**COASTAL PROJECTS LIMITED****Notes to consolidated financial statements (continued)****6: Other long-term liabilities****(₹ in Million)**

<b>Particulars</b>	<b>As at 31 March, 2015</b>
Retention money payable to sub-contractors	81.75
Interest accrued but not due	364.04
<b>Total</b>	<b>445.79</b>

**7: Long-term provisions****(₹ in Million)**

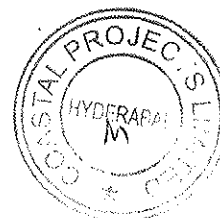
<b>Particulars</b>	<b>As at 31 March, 2015</b>
Provision for employee benefits (Refer Note 34)	
Compensated absences	4.25
Gratuity	19.77
<b>Total</b>	<b>24.02</b>

**8: Short Term Borrowings****(₹ in Million)**

<b>Particulars</b>	<b>As at 31 March, 2015</b>
Badao Hydro Power Private Limited	0.07
Para Hydro Power Private Limited	0.08
Reddy Hydro Power Private Limited	0.08
Secured	
From banks (Refer notes below)	15,626.12
Unsecured:	
Indian Rupee loan from Other Companies	730.40
<b>Total</b>	<b>16,356.75</b>

**Notes:**

**8(i)** In respect of Holding Company, pursuant to the Corporate Debt Restructuring (CDR) scheme approved by the Corporate Debt Restructuring cell vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014, further amended by the order dated 28 April, 2014. Working capital loans and Cash credits carry rate of interest at 1.25% above SBI base rate (effective 11.25% p.a) and has a moratorium period of 23 months from 31 July, 2013 (cut off date).



**COASTAL PROJECTS LIMITED****Notes forming part of the Financial Statements****8(ii) Working Capital loans are secured / to be secured by:**

S.No	Particulars
1	A First pari passu charge on the Current Assets, both present and future of the Company.
2	A Second pari-passu charge on the fixed assets of the Company's movable and immovable properties both present and future.
3	The exclusive securities including third party collaterals created in favour of any Lender shall continue to remain exclusive to the respective lenders.
4	In the event of sale of any exclusive security of the Company, the same shall be available to the respective Lenders for meeting their respective dues and the surplus amount arising out of such sale of exclusive security of the company, shall be available for meeting the dues of the Lenders on a pari-passu basis.
5	In the event of release of any exclusive security of the Company, the Lenders shall have a first pari-passu charge on such security.
6	Pledge of shares of all the subsidiaries / associates.
7	Personal guarantees of Chairman, Managing Director and relative of Chairman for all facilities under CDR.
8	Pledge of 100% unencumbered equity shares of the Company owned by the promoters in favour of CDR lenders.

**8(iii) Working Capital loans are additionally secured by:**

S.No	Particulars
1	Loan from Axis Bank Limited, Bank of Maharashtra, and State Bank of India are secured by mortgage of certain property held by friends / relatives of the Chairman.
2	Loan from Oriental Bank of Commerce is secured by mortgage of certain property held by relative of the Chairman and Collateral Security in the form of fixed deposits.
3	Loan from Punjab National Bank, State Bank of Hyderabad and State Bank of Travancore are secured by way of Collateral Security in the form of fixed deposits of the Company.

**8(iv) The Company has defaulted in repayment of loans and interest in respect of the following:**

Particulars	Period of Default As at 31 March 2015	Amount (₹ in Million)
From banks		
Interest	1 Day	6.29



**COASTAL PROJECTS LIMITED****Notes to consolidated financial statements (continued)****9: Trade payables****(₹ in Million)**

<b>Particulars</b>	<b>As at 31 March, 2015</b>
Trade payables	
Due to micro and small enterprises (Refer note below)	-
Others	2,585.78
<b>Total</b>	<b>2,585.78</b>

**Note:**

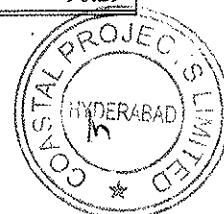
The principal amount remaining unpaid as at 31 March, 2015 in respect of enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006" (MSMEDA) is ₹ Nil based upon the information available with the Company and relied upon by the auditors.

**10: Other current liabilities****(₹ in Million)**

<b>Particulars</b>	<b>As at 31 March, 2015</b>
Current maturities of long-term debt (Refer note 5)	2,313.43
Interest accrued but not due on borrowings	716.04
Interest accrued and due on borrowings	168.53
Bank overdraft in bank current accounts	2.04
Other payables:	-
Statutory remittances	658.35
Retention money payable to sub-contractors	171.29
Payables on purchase of fixed assets	38.10
Machinery advance from customers	98.92
Advance from customers	87.89
Mobilisation advance from customers (net of adjustments)	1,654.51
Rent Payable	0.03
Salaries Payable	1.04
Audit Fees Payable	0.04
Retention Money Payable to Others	0.85
Sundry Creditor (More Than Six Month)	0.31
Payable to Others	12.99
Payable towards capital expenditure	503.15
Provision for Accrued Expenses	58.15
Accrued Expenses	4.48
<b>Total</b>	<b>6,490.14</b>

**11: Short-term provisions****(₹ in Million)**

<b>Particulars</b>	<b>As at 31 March, 2015</b>
Provision for employee benefits: (Refer note 34)	
Compensated absences	6.06
Gratuity	3.36
Other Employee benefits	0.09
Provision for income tax [Net of Advance Tax ₹ 44.85 ]	80.05
Provision for other expenses	0.73
<b>Total</b>	<b>90.29</b>



**COASTAL PROJECTS LIMITED**

Notes to consolidated financial statements (continued)

**12: Fixed assets**

Particulars	Gross block - at Cost			Depreciation and amortisation			Net Block	
	As at 31 March, 2014	Additions	Disposals	As at 31 March, 2015	Adjustments For the Year	On Disposals	As at 31 March, 2015	As at 31 March, 2015
<b>(a) Tangible assets</b>								
Land - freehold	197.90	16.13	-	214.03	-	-	-	214.03
Buildings	139.69	-	-	139.69	-	-	-	86.64
Plant & Machinery	12,324.02	684.58	8.75	12,999.85	2.22	1,724.90	53.05	5,997.54
Construction Vehicles	1,844.68	13.85	6.63	1,851.90	3.81	189.90	7,002.31	332.28
Transport Vehicles	372.11	1.60	3.85	369.86	2.49	43.57	1,519.62	75.12
Furniture and fixtures	60.39	1.72	-	62.11	0.20	9.29	40.30	21.80
Office equipment	87.06	1.51	-	88.57	10.11	26.88	73.37	15.20
Computers	44.43	0.88	-	45.31	4.29	2.79	42.26	3.05
Temporary Structures	1,875.52	333.17	0.19	2,208.50	12.89	454.82	1,829.56	378.95
<b>Sub total (a)</b>	<b>16,945.80</b>	<b>1,053.45</b>	<b>19.42</b>	<b>17,979.83</b>	<b>36.01</b>	<b>2,472.99</b>	<b>10,855.21</b>	<b>7,124.61</b>
<b>(b) Intangible assets</b>								
Software	9.27	0.01	-	9.28	2.17	0.31	8.27	1.01
<b>Sub total (b)</b>	<b>9.27</b>	<b>0.01</b>	<b>-</b>	<b>9.28</b>	<b>2.17</b>	<b>0.31</b>	<b>8.27</b>	<b>1.01</b>
<b>(c) Capital Work - in-progress</b>								
Project expenditure allocation	6,813.44	982.45	-	7,795.89	-	-	-	7,795.89
<b>Sub total (c)</b>	<b>6,813.44</b>	<b>982.45</b>	<b>-</b>	<b>7,795.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,795.89</b>
<b>Total</b>	<b>23,768.51</b>	<b>2,035.92</b>	<b>19.42</b>	<b>25,785.00</b>	<b>38.18</b>	<b>2,473.30</b>	<b>10,863.48</b>	<b>14,921.51</b>

**Note:**

1. The Holding Company has adopted the useful lives of fixed assets as specified in Part C of Schedule II of the Companies Act, 2013 effective 1 April, 2014. Consequently, the depreciation / amortisation is higher by ₹ 318.12 million, for the current year.
2. The depreciation on carrying value of the assets whose useful lives expired as at 1 April, 2014 aggregating ₹ 24.97 million (net of deferred tax ₹ 12.98 million) have been adjusted the opening balance of Statement of Profit and Loss, under Reserves and Surplus (Note- 4).
3. Additions to fixed assets during the current year includes ₹ 626.65 million, towards assets taken back by the Holding Company from the lessors, upon invocation of Bank /Corporate Guarantees and security deposits submitted by the Company under the sale and lease back arrangement, due to non-payment of the lease rentals. The documentation relating to the transfer of assets is in progress as at the balance sheet date.
4. One of the foreign subsidiaries of the company, Coastal Lanka Private Ltd which is domiciled in Sri Lanka adopted straight line method for calculating depreciation on fixed assets.

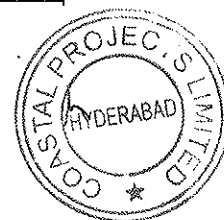


**COASTAL PROJECTS LIMITED**

Notes to consolidated financial statements (continued)

**13. Non-current investments**

Particulars	(₹ in Million) As at 31 March, 2015
<b>Trade investments (Unquoted)(at Cost)</b>	
<b>Investments in equity instruments</b>	
<b>a. In Subsidiaries</b>	
<u>In shares of Euro 1 each, fully paid up</u>	
Coastal Transnational Ventures (CY) Limited, Cyprus (Refer note 38)	401.97
<b>b. In Associate</b>	
<u>In shares of Nepalese Rupee 100 each, fully paid up</u>	
Nepal Jalabidyut Pravardan Tatha Bikash Limited, Nepal	169.92
( Includes Goodwill of Rs. 154.09 Million on acquisition of associate)	
<b>c. In other entity</b>	
<u>In shares of ₹ 10 each, fully paid up</u>	
Dhamsala Hydro Power Limited	10.18
Redeemable Preference shares of first class Infrabuild Private Ltd.	54.80
(54,800 Shares, Face Value Rs.10	
<b>Sub Total:</b>	<b>636.87</b>
Aggregate amount of unquoted investments	<b>636.87</b>



**COASTAL PROJECTS LIMITED**
**Notes to consolidated financial statements (continued)**
**14: Deferred tax assets (Net) (Refer note 44)**

(₹ in Million)	
Particulars	As at 31 March, 2015
<b>Deferred tax asset/ (liability) on timing difference due to:</b>	
Difference between book balance and tax balance of fixed assets	(194.00)
Business loss	774.11
Unabsorbed depreciation carried forward	1,144.13
Provision for gratuity and compensated absences	8.89
Unrealised foreign exchange loss	6.73
<b>Total</b>	<b>1,739.86</b>

**15: Long-term loans and advances**

(Unsecured, considered good)

(₹ in Million)	
Particulars	As at 31 March, 2015
Capital advances	798.10
Security deposits	686.96
Loans and advances to related parties: (Refer notes 35)	
Share application money pending allotment	366.67
Receivable from subsidiary (Invocation of corporate guarantee)	1,029.90
Advance taxes paid [net of provision for tax ₹ 483.49 million]	398.95
Other deposits	68.67
<b>Total</b>	<b>3,349.25</b>

**16: Other non-current assets**

(Unsecured, considered good)

(₹ in Million)	
Particulars	As at 31 March, 2015
Long term trade receivables:	
Retention money	697.95
Interest accrued on bank deposits	31.15
Others	
Balances with banks:	
Deposit accounts (Refer note below)	20.00
Margin money deposits [Refer notes 19 (i) & (ii)]	116.83
Other receivables (net of adjustments) (Refer note 37)	3,324.64
Investment Advances	11.85
<b>Total</b>	<b>4,202.42</b>

**Notes:**

Pledged with banks towards loans availed by the Company from the respective Bankers.

**17: Inventories**

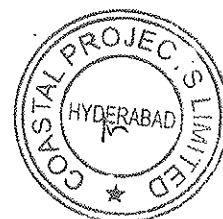
(₹ in Million)	
Particulars	As at 31 March, 2015
Construction materials - at cost	2,767.23
Work-in-progress - lower of cost and net realisable value (refer note no 37)	8,524.62
<b>Total</b>	<b>11,291.85</b>

**18: Trade receivables\***

(Unsecured, considered good)

(₹ in Million)	
Particulars	As at 31 March, 2015
Outstanding for a period exceeding six months from the date they were due for payment	5,416.70
Others	5,970.22
<b>Total</b>	<b>11,386.92</b>

\*Includes retention money ₹ 1,676.44 million.





**COASTAL PROJECTS LIMITED**
**Notes to consolidated financial statements (continued)**
**19: Cash and bank balances**

(₹ in Million)

Particulars	As at 31 March, 2015
<b>Cash and cash equivalents</b>	
Cash on hand	17.33
Bank balances:	
-in current accounts	236.57
On Deposit accounts with maturity less than three months	155.32
<b>Total- (A)</b>	<b>409.22</b>
<b>Other bank balances</b>	
-in earmarked accounts	
Deposit accounts (Refer note (i) below)	337.04
Margin money deposits (Refer notes (i) & (ii)) below	40.14
<b>Total- (B)</b>	<b>377.18</b>
<b>Total Cash and cash equivalents bank balances (A+B)</b>	<b>786.40</b>

**Notes:**

- i) Pledged with banks towards guarantees, letters of credit issued and loans availed from the banks.
- ii) Pursuant to the Corporate Debt Restructuring (CDR) scheme approved vide Letter of Approval No.CDR (PMJ) No 71/2014-15 dated 28 April, 2014 by the Corporate Debt Restructuring (CDR) Cell, all the margin money deposits are proposed to be adjusted against the irregularities in the Working Capital Term Loan (WCTL) 1 & 2 of respective lenders.

**20: Short-term loans and advances**

(Unsecured, considered good)

(₹ in Million)

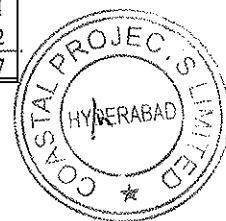
Particulars	As at 31 March, 2015
Loans and advances to related parties (Refer note 36)	
Joint ventures	258.21
Others	185.56
Security deposits	620.17
Loans and advances to employees	4.72
Prepaid expenses	24.10
Balance with government authorities :	
Works contract tax receivable	294.02
Others:	
Advance to suppliers, sub-contractors and others (Refer note 39)	2,308.03
Mobilisation advance to sub-contractors	466.38
Receivable from directors	15.20
Earnest money deposits	230.73
Grandeur Power Project Private Limited	0.23
<b>Total</b>	<b>4,407.35</b>

**21: Other current assets**

(Unsecured, considered good)

(₹ in Million)

Particulars	As at 31 March, 2015
Unbilled revenue (refer note no 37)	8,918.97
Interest accrued on:	
Deposits with banks	14.17
Others (Refer note 36C)	70.14
Other receivables	18.05
Other Advance	3.21
Prepaid Expenses	0.72
<b>Total</b>	<b>9,025.27</b>



**COASTAL PROJECTS LIMITED**

Notes to consolidated financial statements (continued)

**22: Other income**

(₹ in Million)

Particulars	As at 31 March, 2015
Interest income:	
- on deposits with banks	52.83
- from others	49.43
Insurance claims	8.26
Miscellaneous income	117.53
Foreign exchange gain	0.01
<b>Total</b>	<b>228.06</b>

**23: Cost of materials consumed**

(₹ in Million)

Particulars	As at 31 March, 2015
Opening stock	2,553.98
Add: Purchases	4,198.63
Less: Closing stock	2,767.23
<b>Total</b>	<b>3,985.38</b>

**24: Change in inventories of work-in-progress**

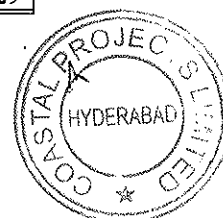
(₹ in Million)

Particulars	As at 31 March, 2015
<b>Work-in-progress</b>	
Opening stock	6,457.05
Less: Closing stock	8,524.62
<b>Total</b>	<b>(2,067.57)</b>

**25: Construction expenses**

(₹ in Million)

Particulars	As at 31 March, 2015
Sub-contract expenses	2,387.45
Labour charges	1,345.60
Job-work charges	1,273.41
Power and fuel	821.90
Royalty and seigniorage charges	128.31
Freight and transportation charges	157.16
Construction site rental charges	28.64
Repairs and maintenance	
Construction equipment	30.21
Others	68.39
Construction equipment hire charges (Refer note- 41A)	690.57
Technical and consultancy charges	58.29
Other construction expenses	36.36
<b>Total</b>	<b>7,026.29</b>



**COASTAL PROJECTS LIMITED****Notes to consolidated financial statements (continued)****26: Employee benefits expense****(₹ in Million)**

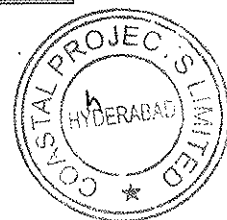
<b>Particulars</b>	<b>As at 31 March, 2015</b>
Salaries and wages	968.08
Contribution to provident and other funds	26.52
Staff welfare expenses	58.20
<b>Total</b>	<b>1,052.80</b>

**27: Finance costs****(₹ in Million)**

<b>Particulars</b>	<b>As at 31 March, 2015</b>
Interest expense on	
-Debentures	51.85
-Term loans	2,874.05
-Working capital demand loan and cash credit facilities	1,697.47
-Others	1,398.91
Bank and other finance charges	200.36
Exchange loss on repayment of foreign currency loans	13.73
Interest on Statutory dues	1.05
Up-front and processing fee	1.10
<b>Total</b>	<b>6,238.52</b>

**28: Other expenses****(₹ in Million)**

<b>Particulars</b>	<b>As at 31 March, 2015</b>
Rent	9.31
Insurance	45.63
Rates and taxes	215.09
Legal and professional	126.70
Auditors' remuneration	
-Audit fees	1.00
-Tax audit fees	0.20
-Certification fees	0.85
-Out of pocket expenses	0.58
Net loss on foreign currency transactions and translation	19.45
Other receivables written off	205.69
Loss on sale of fixed assets	0.44
Consumption of stores and spares	0.08
Operation & Maintenance expenses	11.76
Repairs and Maintenance -Plant & Machinery	0.37
Repairs and Maintenance -Others	0.01
Miscellaneous expenses	119.74
<b>Total</b>	<b>756.89</b>



**COASTAL PROJECTS LIMITED**
**Notes to consolidated financial statements (continued)**
**29: Disclosure pursuant to Accounting Standard (AS) 7 – “Construction Contracts”**
**(₹ in Million)**

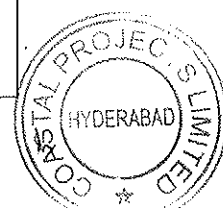
Particulars	As at 31 March, 2015
Contract revenue recognised as income during the year (net of indirect taxes)	13,491.12
Aggregate of costs incurred and recognised profits (less recognised losses) up to the reporting date	89,460.88
Advances received for contracts in progress	2,677.54
Retention money for contracts in progress	2,374.39
Gross amount due from customers for contract work	11,313.15

**30: Contingent liabilities**
**(₹ in Million)**

Particulars	As at 31 March, 2015
a) Counter guarantees given to banks [includes guarantees given on behalf of Joint Ventures ₹ 2,724.26 million]	11,271.69
b) Corporate guarantees given to banks for financial assistance extended to a subsidiary and a joint venture	300.00
c) Claims against the company not acknowledged as debt:	
Interest on debentures [Refer note 5.1.(d)]	68.87
Interest on debentures [Refer note 5.1A.(c)]	45.26
Lease rentals	107.27
d) Impact of pending litigations	
Certain cases were filed by the below lender/suppliers in respect dishonor of cheques issued for repayment of borrowing including interest/dues L&T Infrastructure Finance Company Limited Central Bank of India Tata Motors Finance Limited Aditya Birla Finance Limited Kotak Mahindra Bank Limited Reliable Agencies	Amount not ascertainable
Certain cases were filed by the below lender in respect delay/non-repayment of borrowing including interest Central Bank of India HDFC Limited Bajaj Finance Limited Tata Motors Finance Limited Kotak Mahindra Bank Limited Export Import Bank Ltd IFCI Limited	Amount not ascertainable
The Company has disputed the valuation of adjusted equity shares, made by IDFC towards repayment of the dues, with Debt Recovery appellate tribunal.	Amount not ascertainable
The Company is a party to various arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending litigations until the cases are decided by the appropriate authorities.	Amount not ascertainable
e) Joint and several liability in respect of joint venture projects and liquidated damages in respect of delays in completion of project	Amount not ascertainable

**31: Capital and other commitments**
**(₹ in Million)**

Particulars	As at 31 March, 2015
<b>Capital commitments</b>	
a) Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advances of ₹ 769.36 million]	6,034.56
<b>Other commitments</b>	
a) Commitment towards investment in companies [Net of advances of ₹ 32.01 million]	119.89
b) Commitment towards investments in new hydro power companies to be set up in Arunachal Pradesh:	Amounts indeterminate.



**COASTAL PROJECTS LIMITED****Notes to consolidated financial statements (continued)****32A: Expenditure in foreign currency ( on accrual basis)****(₹ in Million)**

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>
Travelling expenses	1.18
Professional and consultancy charges	4.96
interest	66.10
others (Repairs and maintenance, Membership fee & License fee)	0.37
<b>Total</b>	<b>72.61</b>

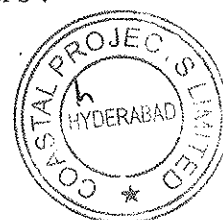
**32B: CIF value of imports****(₹ in Million)**

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>
Capital goods	-
Construction materials	31.30
<b>Total</b>	<b>31.30</b>

**33. Earnings per share****(₹ in Million)**

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>
<b>(a) Basic</b>	
Loss after tax (₹ in Million)	(3,958.78)
Weighted average number of equity shares outstanding (Nos.)	1,91,63,468
Earnings per share - Basic (₹)	(206.58)
<b>(b) Diluted</b>	
Loss after tax (₹ in Million)	(3,958.78)
<b>Add:</b> Interest expense on compulsory convertible debentures (net of tax)	34.23
Loss after tax for calculation of Diluted EPS (₹ in Million)	(3,924.55)
Weighted average number of equity shares outstanding	1,91,63,468
<b>Add:</b> Weighted average number of potential equity shares on account of convertible debentures and preference shares.	7,91,268
Weighted average number of shares outstanding for diluted EPS	13,16,72,808
<b>Diluted EPS (₹)*</b>	<b>(206.58)</b>
Face value per share (₹)	10.00

\*Note: The effect of dilution on account of compulsory convertible debentures / compulsory convertible preference shares being anti-dilutive, "Diluted EPS" is restricted to "Basic EPS".



# COASTAL PROJECTS LIMITED

## Notes to consolidated financial statements (continued)

### 34. Employee benefit plans

#### A) Defined contribution plans

The Group makes provident fund contribution which is defined contribution plans, for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company recognised ₹ 26.52 million for provident fund contributions in the statement of profit and loss. The contribution payable to the plan by the company are at rates specified in the rules of the scheme.

#### B) Defined benefit plans

(i) Liability for retiring gratuity as on 31 March, 2015 is ₹ 23.13 million and funded with the "Coastal Projects Employee Gratuity Trust - LIC", for the Holding Company and for one of the subsidiary it is unfunded. The liability for gratuity has been actuarially determined and provided for

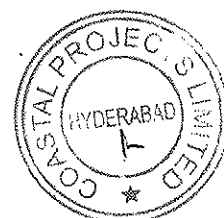
(ii) Details of the company's post-retirement gratuity plans for its employees including directors and chairman are given below, and certified by the actuary and relied upon by the auditors.

(iii) Disclosure in respect of gratuity as required under Accounting Standard 15-Employee Benefits:

#### A. Gratuity:

(₹ in Million)	
Particulars	For the year ended / As at 31 March, 2015
<b>Component of employer's expense</b>	
Current service cost	5.36
Interest cost	2.43
Expected return on plan assets	-1.15
Net actuarial gain recognised in the year	0.69
Expenses recognised in the statement of profit and loss	<b>7.33</b>
<b>Net Liability recognised in the balance sheet</b>	
Present value of defined benefit obligation	36.27
Fair value of plan assets	-13.14
Liability recognised in the balance sheet	<b>23.13</b>
<b>Change in defined benefit obligation during the year</b>	
Opening defined benefit obligation	30.37
Current service cost	5.36
Interest cost	2.43
Actuarial gain	1.93
Benefits paid	-5.06
Closing defined benefit obligation	<b>35.03</b>
<b>Changes in fair value of plan assets</b>	
Opening fair value of plan assets	14.57
Expected return	1.15
Contributions	-
Benefits paid	(3.82)
Closing fair value of plan assets	<b>11.90</b>
<b>Actuarial assumptions</b>	
Discount rate	8%-9.3%
Expected rate of return on assets	8% - 9%
Salary escalation rate	10%-12%
Attrition rate	10%-15%
Mortality table	LIC(2006-08)
<b>Movement in the net liability recognised in the balance sheet</b>	
Opening net liability	15.80
Expenses recognised in the statement of profit and loss	7.33
Provision for minimum wage employees - actuals*	0.00
Closing net liability	<b>23.13</b>
Long-term	19.77
Short-term	3.36

\* Provision for minimum wage employee who have completed 5 years of continuous service has been computed based on actuals



**COASTAL PROJECTS LIMITED****Notes to consolidated financial statements (continued)**

(iv) The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

(v) The discount rate is based on the prevailing market yield on Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(vi) The expected rate of return on plan assets is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

(vii) The estimate of future salary increase considered takes into account the inflation, seniority and other relevant factors.

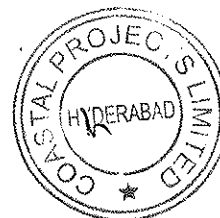
**(viii) Asset information:****(₹ in Million)**

	<b>As at 31 March, 2015</b>	
<b>Category of assets</b>		
Insurer managed funds- Life Insurance Corporation of India	11.90	100%

(ix) In accordance with the "Payment of Gratuity Act, 1972" the Company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognised Gratuity Fund managed by Life Insurance Corporation of India and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end. The management understands that insurers overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

**B) Compensated Absence:****(₹ in Million)**

<b>Particulars</b>	<b>As at 31 March, 2015</b>
<b>Components of Employer Expenses</b>	
Current service cost	2.93
Interest cost on benefit obligation	1.61
Net actuarial (gain)/ loss recognized in the year	(14.43)
Net benefit expense	(9.03)
<b>Change in defined benefit obligation:</b>	
Opening defined benefit obligation	20.19
Interest cost	1.61
Current services cost	2.93
Benefits paid	-
Actuarial (gains)/losses on obligation	(14.42)
Closing defined benefit obligation	10.31
<b>Assumptions</b>	
Salary escalation rate	10%- 12%
Discount rate	8.00%
Attrition rate	10%-15%

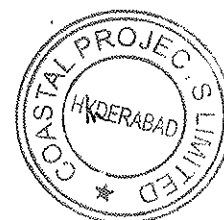


**COASTAL PROJECTS LIMITED****Notes to consolidated financial statements (continued)****35: Segment Information**

The Company's operations predominantly consist only of construction activities. Hence, there are no reportable segments under Accounting Standard – 17. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary by the management. Accordingly, there are no other reportable segments.

**36: Related Party Disclosures****A) Following is the list of related parties and there relationship:**

Joint Ventures (Jointly Controlled Operations):	Nuziveedu - Swathi – Coastal AKR – Coastal Coastal - Srivijetha Aban - Coastal HCC - Coastal Coastal – Patel – Jyothi - CBE CPPL - Chongqing Essar - DEC – CPPL Coastal – TTS GYT - Coastal
Key Management Personnel (KMP):	Mr. S. Surendra -Chairman / Director Mr. G. Hari Hara Rao –Managing Director Mr. Sridhar Nivarthi -Director (from 1 October, 2013)
Enterprises owned or significantly influenced by key management personnel or their relatives	Selection Aluminium Wires Private Limited Sabbineni Holdings Private Limited Coastal Sirohi Power Limited Humming Bird Soft Solutions Private Limited Siddhi Vinayak Power Generation & Distributors Private Limited





**COASTAL PROJECTS LIMITED**

Notes to consolidated financial statements (continued)

**36: Related Party Disclosures (contd....)**
**B) Transactions with Related Parties:**

		(₹ in Million)
Particulars	Relationship	For the Year Ended 31 March, 2015
<b>Contract revenue</b>		
AKR – Coastal	Joint Venture	-
Aban – Coastal	Joint Venture	-
GYT - Coastal	Joint Venture	817.78
HCC- Coastal	Joint Venture	1,079.07
Coastal – TTS	Joint Venture	814.87
CPPL – Chongqing	Joint Venture	320.04
Essar- DEC- CPPL	Joint Venture	6.28
<b>Interest income</b>		
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	22.03
<b>Interest free unsecured loan</b>		
Mr. S. Surendra	Key Management Personnel	87.37
<b>Allotment of CCP shares including premium</b>		
Mr. S. Surendra	Key Management Personnel	1,312.41
<b>Loans and advance given</b>		
Nuziveedu - Swathi – Coastal	Joint Venture	2.17
S. Surendra	Key Management Personnel	2.75
G. Hari Hara Rao	Key Management Personnel	8.95
N. Sridhar	Key Management Personnel	3.50
<b>Loans and Advance Recovered / Adjusted</b>		
Nuziveedu - Swathi – Coastal	Joint Venture	13.12
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	13.26
Siddhi Vinayak Power Gen & Dist Pvt Ltd	Companies in which significant influence is exercised	3.41
<b>Mobilisation advance received</b>		
HCC - Coastal	Joint Venture	0.62
<b>Material advance received</b>		
GYT - Coastal	Joint Venture	447.63
<b>Material advance Adjusted</b>		
GYT - Coastal	Joint Venture	239.78
<b>Mobilisation advance repaid / Adjusted</b>		
Coastal – TTS	Joint Venture	53.83
HCC - Coastal	Joint Venture	34.71
GYT - Coastal	Joint Venture	101.38



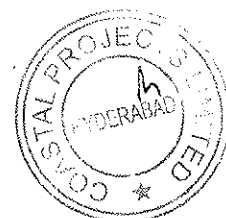
**COASTAL PROJECTS LIMITED**

Notes to consolidated financial statements (continued)

**36: Related Party Disclosures (contd....)**
**C) Related Party Balances:**

(₹ in Million)

Particulars	Relationship	As at 31 March, 2015
<b>Trade receivables</b>		
AKR – Coastal	Joint Venture	45.23
Aban – Coastal	Joint Venture	48.48
Coastal - Patel - Jyothi – CBE	Joint Venture	196.34
HCC – Coastal	Joint Venture	617.38
GYT-Coastal	Joint Venture	179.54
CPL-TTS	Joint Venture	117.42
Essar - DEC – CPPL	Joint Venture	4.92
<b>Advance towards Share application money</b>		
Coastal Sirohi Power Limited	Subsidiary	100.00
<b>Interest receivable</b>		
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	61.75
<b>Loans /Advances receivable</b>		
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	184.01
CPPL – Chongqing	Joint Venture	258.21
S. Surendra	Key Management Personnel	2.75
G. Hari Hara Rao	Key Management Personnel	8.95
N. Sridhar	Key Management Personnel	3.50
Nuziveedu - Swathi – Coastal	Joint Venture	691.52
<b>Mobilisation advance payable</b>		
Coastal – TTS	Joint Venture	203.70
GYT - Coastal	Joint Venture	100.37
HCC - CPL	Joint Venture	73.88
Coastal – Patel – Jyothi - CBE	Joint Venture	410.53
CPPL – Chongqing	Joint Venture	67.25
<b>Material advance payable</b>		
GYT - Coastal	Joint Venture	251.29
<b>Machinery advance payable</b>		
GYT - Coastal	Joint Venture	106.60
<b>Corporate guarantee</b>		
Nuziveedu - Swathi – Coastal	Joint Venture	300.00
<b>Counter guarantee</b>		
HCC – Coastal	Joint Venture	1952.95
Essar- DEC- CPPL	Joint Venture	45.76
Coastal - Patel - Jyothi – CBE	Joint Venture	545.95
CPPL – Chongqing	Joint Venture	95.50
AKR – Coastal	Joint Venture	82.18



## COASTAL PROJECTS LIMITED

### Notes to consolidated financial statements (continued)

- 37: There are certain projects which are stalled due to delay in obtaining clearances, non-receipt of dues, and non-availability of working capital. The Company is negotiating with these project customers, who are primarily government undertakings / departments for recovery of dues and recommencement of project works. The Company based on its assessment and considering the invocation of Strategic Debt Restructuring Scheme (SDR) by the lenders and lenders continued financial support as explained in Note 1, the Company is hopeful of recovery of its entire dues, realisation of contracts in progress and recommence the stalled project works. Accordingly, an aggregate amount of ₹ 5,468.81 million, [Trade receivables included in Note 18 ₹ 382.01 million, Contracts-in progress included in Note 17 ₹ 1,339.35 million, Unbilled Revenue included in Note 21 ₹ 2,617.29 million, invoked bank guarantees (net of advances received) included in Note 16 ₹ 1,130.16 million] has been considered as good and no provision have been made as at 31 March, 2015 against such amounts recoverable from the projects.
- 38: The Company has an investment of ₹ 401.97 million in Coastal Transnational Ventures (CY) Limited, Cyprus ("CTVL") a wholly owned subsidiary and has advanced share application money aggregating to ₹ 266.67 million as at 31 March, 2015. The Company had also given a corporate guarantee of USD 15.68 million, in favour of EXIM Bank, towards loan availed by CTVL to finance its acquisition of equity shares in SELI -Societa Esecuzione Lavori Idraulici SPA, Italy ("SELI"), which specializes in the manufacture of Tunnel Boring Machines (TBMs) and its maintenance. CTVL has an investment of Euro 19,410,000 in SELI, as at 31 March, 2015. The Company had acquired TBMs from SELI in the prior years and avails its services, for the maintenance of such TBMs. During the previous year, EXIM Bank had invoked the corporate guarantee and recovered ₹ 1,029.90 million from the Company.

Based on the audited financial statements, CTVL has incurred loss of ₹ 22.59 million for the previous year ended 31 March, 2014 and its accumulated loss of ₹ 276.25 million as at 31 March, 2014 has substantially eroded its net worth. Although, the net worth of CTVL has been substantially eroded, no provision for diminution in the value of investment of ₹ 401.97 million and share application money of ₹ 266.67 million and provision for doubtful receivable from subsidiary (against invocation of corporate guarantee) of ₹ 1,029.90 million has been made by the Company having regard to the call option available to the Company to realise its investment, as detailed hereunder.

A shareholders' agreement was entered on 2 August, 2012, between the Company, CTVL and Qinhuangdao Tianye Tolian Heavy Industry Co. Limited, China, ("Tolian") who has the controlling stake in SELI. Pursuant, to the terms of agreement, CTVL has the call option, which can be exercised between July 2013 to July 2016, to withdraw its investment in SELI at an agreed fixed price with a specified rate of return on its investment or fair market value, whichever is higher. In the event the option is not exercised by CTVL, before July 2016, the Company, CTVL and Tolian, should re-negotiate, based on 31 July 2016 option price and same criteria should be used for the period of time, subsequent to the expiration date. In case of a dead lock, Tolian has an irrevocable right to acquire the shares held by CTVL at the option price or fair market value determined by an independent expert, whichever is higher. CTVL has not exercised the option to sell its investment to Tolian during the year, considering the long term business interests. The realisable value of the call option is higher than the carrying value of the investment held by CTVL in SELI as at 31 March, 2015.

- 39: Advance to suppliers, sub-contractors and others include an amount of ₹ 87.08 million adjusted by a IDBI Bank Limited from the Company's bank account towards interest sacrificed by them. As per the minutes of the Joint Lenders Forum (JLF) held on 25 July, 2014 it was proposed that the amount should be refunded to TRA Account or to be adjusted against future interest payable to the lender. Hence, the same has been recognised as other advance pending future adjustments.
- 40: During previous year, as per the promoters' undertaking dated 29 March, 2014, between the Company, Promoters' and State Bank of India (Monitoring Institution) for Corporate Debt Restructuring (CDR) an amount aggregating ₹ 961.98 million, was contributed by promoters' and their affiliates towards interest free unsecured loan. Promoter has further brought in ₹ 45.29 million towards settlement of dues of the Company.

In terms of an amendment agreement to the Master Restructuring Agreement dated 26 May, 2014 and pursuant to the CDR Scheme approved vide Letter of Approval No. CDR (PMJ) No 71/2014-15 dated 28 April, 2014 by the CDR Cell, an amount of ₹ 364.86 million bought in by the promoter as of the cut-off date i.e. 31 July, 2013 has been converted into equity comprising of 352,695 equity shares of ₹ 10 each, and the balance is disclosed as promoter's contribution.

Further, upon invocation of the pledge by IDFC Limited, 33,85,939 equity shares of ₹ 10 each held by the promoters in the Company, has been transferred to IDFC Limited during the previous year. IDFC Limited has adjusted an amount of ₹ 670 million against its dues, based on its internal valuation. Such adjusted amount of ₹ 670 million has been disclosed as promoters' contribution not attracting interest. [Refer Notes 4B and 5.1]. The promoters' along with the Company had filed an appeal with respect to the valuation of adjusted equity shares with Debt Recovery appellate tribunal on 31 July, 2014.

During the year, the Company has allotted 131,241,105 Compulsory Convertible Preference Shares against promoter's contribution.



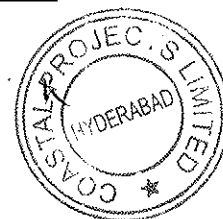
- 41: The Holding Company has business loss of ₹ 3,741.48 million, including unabsorbed depreciation of ₹ 1,504.67 million as at the balance sheet date, computed as per the provisions of the Income Tax Act, 1961. The Company has recognised Deferred Tax Asset on business loss (including unabsorbed depreciation) aggregating to ₹ 1,294.85 million besides deferred tax asset on other timing differences.

During the previous year, the Company had applied for Corporate Debt Restructuring (CDR) and the same was approved by the CDR cell vide its approval letter dated 28 April, 2014. Loss incurred during the current year and in the previous year, was primarily due to lack of working capital resulting in delays in execution projects. Based, on the future projections, considered under the CDR Scheme which was taken on record by the Board of Directors and having regard to the present order book position, improvement of future cash flows and profitability, the Company expects to fully realise the deferred tax asset in the near future.

#### 41A Details of leasing arrangement

The Company has entered into operating lease arrangement for certain construction equipment. The lease is non-cancellable for a period of 5 years:

(₹ in Million)	
Particulars	As at 31 March, 2015
Future minimum lease payments are as follows:	
Not later than one year	531.77
Later than one year and not later than five years	376.61
Later than five years	-
<b>Total</b>	<b>908.38</b>
Lease payments recognised in the Statement of profit and loss for the year	690.57



**COASTAL PROJECTS LIMITED****Notes to consolidated financial statements (continued)**

- 42: The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31 March, 2015	
	Foreign Currency USD	Amount in INR(million.)
Buyers Credit	-	-
Foreign currency loan	54,70,685 USD	342.41

**43: Auditors remuneration**

(₹ in Million)

Particulars	As at 31 March, 2015
Towards Audit Fees	1.00
Towards Tax audit Fee	0.20
Total	1.20

**44: Deferred Taxes**

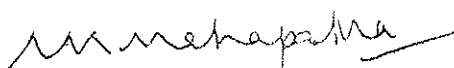
(₹ in Million)

Particulars	As at 31 March, 2015
<b>Deferred tax assets on timing difference due to:</b>	
Difference between book balance and tax balance of fixed assets	(193.99)
Business loss	774.12
Unabsorbed depreciation carried forward	1,144.13
Provision for gratuity and compensated absences	8.89
Unrealised foreign exchange loss	6.73
<b>Net Deferred Tax Asset/(Deferred Tax Liability)</b>	<b>1,739.86</b>

Ujjawala Power Private Limited (a subsidiary of the holding company) has signed a long term agreement with Gujarat Urja Nigam Vikas Limited (GUVNL) to sell power at agreed price for a period of 25 years and has also commissioned a 23.06 MWP Solar Power Plant in Gujarat under the agreement. Considering the certainty of revenue generation in future the virtual certainty criteria to recognize deferred tax asset on unabsorbed depreciation has been met and the Company had booked net deferred tax asset on unabsorbed depreciation as 31st March 2015.

- 45: Additional disclosure required as per General Instruction given in schedule II with regard to the preparation of Consolidated Financial Statements is annexed at note no 45A. Form AOC-1 as required under section 129(3) of the Companies Act, 2013 read with Rule 5 of Company (Accounts) Rules 2014 is annexed at Note no 45B
- 46: As per para 30 of Accounting Standard-21 on Consolidation of Financial Statements, previous year figures are not considered for consolidation as this is the first occasion of consolidation for Holding Company.

In terms of our report attached  
**For U.K. Mahapatra & Co.**  
 Chartered Accountants  
 (Registration No:320039E)

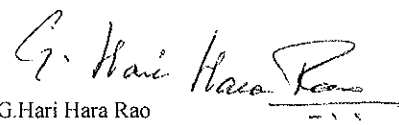


Uttam Kumar Mahapatra  
 Partner  
 (Membership No:54892)

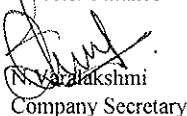
**For and on behalf of the Board of Directors**



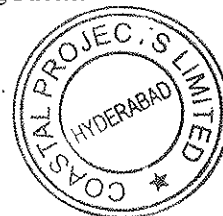
N. Sridhar  
 Director Finance



G. Hari Hara Rao  
 Managing Director



N. Lakshmi  
 Company Secretary



Date :28 October,2015  
 Place: Bhubaneswar

Date : 28 October,2015  
 Place: Hyderabad



**COASTAL PROJECTS LIMITED**

Annexure referred to in Note No.45A

Disclosure of additional information as per general instructions for preparation of Consolidated Financial Statements

(₹ in Million)

Name of the Entity	Net Assets		Share in Profit/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount
1	2	3	4	5
<b>Parent</b>				
Coastal Projects Limited	69.25	3,758.21	98.90	(3,910.36)
<b>Subsidiaries</b>				
<b>Indian</b>				
1) Jal Power Corporation Limited	33.91	1,840.04	0.00	(0.13)
2) Ujjawala Power Private Limited	(3.63)	(197.24)	1.06	(41.92)
3) Para Hydro Power Private Limited	0.00	0.05	0.00	(0.01)
4) Rebby Hydro Power Private Limited	0.00	0.05	0.00	(0.01)
5) Badao Hydro Power Private Limited	0.00	0.06	0.00	(0.01)
6) Grandeur Power Projects Private Limited	(0.01)	(0.38)	0.00	(0.07)
<b>Foreign</b>				
1) Coastal Lanka Private Limited	(0.23)	(12.41)	0.03	(1.22)
Minority Interest in all subsidiaries	NIL	NIL	NIL	NIL
<b>Associates</b>				
<b>(Investment as per Equity method)</b>				
<b>Foreign</b>				
1) Nepal Jalbidyut Pravarthan Tatha Bikas Limited	0.71	38.51	0.00	(0.02)
	<b>100.00</b>	<b>5,426.89</b>	<b>100.00</b>	<b>(3,953.74)</b>



# COASTAL PROJECTS LIMITED

Annexure referred to in Note No. 45B

AOC-I : Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014).

## Part "A" : Subsidiaries

Sl.No.	Name of Subsidiary Company	Reporting Period	Reporting Currency	Exchange Rate on the last date of the Financial	Share Capital	Reserves & Surplus	Total Assets (excluding investment)	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Tax & Def.	Profit After Taxation	Dividend proposed	% of Share Holding
1)	Jal Power Corporation Limited	31.03.2015	INR	-	1,888.88	(48.85)	8,608.09	6,768.05	-	-	(0.13)	-	(0.13)	-	50.18
2)	Ujjawala Power Private Limited	31.03.2015	INR	-	0.10	(197.45)	2,632.83	2,884.87	54.80	420.29	3.47	45.39	(41.92)	-	100.00
3)	Para Hydro Power Private Limited	31.03.2015	INR	-	0.10	(0.06)	1.23	1.18	-	-	(0.01)	-	(0.01)	-	100.00
4)	Rebby Hydro Power Private Limited	31.03.2015	INR	-	0.10	(0.06)	0.90	0.86	-	-	(0.01)	-	(0.01)	-	100.00
5)	Badao Hydro Power Private Limited	31.03.2015	INR	-	0.10	(0.05)	0.39	0.34	-	-	(0.01)	-	(0.01)	-	100.00
6)	Grandeur Power Projects Private	31.03.2015	INR	-	0.10	(0.42)	38.27	38.65	-	-	(0.08)	(0.01)	(0.07)	-	100.00
7)	Coastal Lanka Private Limited	31.03.2015	LKR	0.47	0.01	(12.41)	16.22	28.63	-	-	(1.22)	-	(1.22)	-	100.00

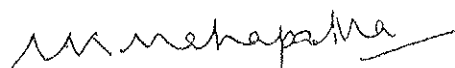


**Part " B" : Associates**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company.**

Sl No	Name of the Company Associates	Nepal Jalbidyut Pravarthan Tatha Bikas Limited Associate
1	Latest Audited Balance Sheet Date	16.07.2015
2	<b>Shares held by the company on the year end</b> Number Amount of Investments Extend of Holding %	241908 170 millions 41.11%
3	Description of how there is significant influence	41.11 % share in Equity
4	Networth attributable to Shareholding as per latest audited Balance Sheet -16/07/2014	38.53 millions
5	(Loss) for the year	(0.05) millions
	i. Considered in Consolidation	(0.02) millions
	i. Not Considered in Consolidation	Nil

In terms of our report attached  
for **U.K. Mahapatra & Co.**  
Chartered Accountants  
(Registration No:320039E)



Uttam Kumar Mahapatra

M. No. 54892


Partner


Date :28 October,2015

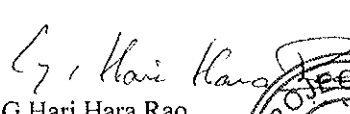
Place: Bhubaneswar



**For and on behalf of the Board of Directors**

  
N. Sridhar  
Director Finance

  
N. Varalakshmi  
Company Secretary

  
G. Hari Hara Rao  
Managing Director

Date : 28 October,2015  
Place: Hyderabad

