

COASTAL

Projects Limited

CIN: U45203OR1995PLC003982



**21st ANNUAL REPORT
2015 - 2016**

www.coastalprojects.co.in

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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

STATUTORY AUDITOR:

M/s U.K.Mahapatra&Co.
Chartered Accountants
#237, 2nd Floor, Bapuji Nagar,
Bhubaneswar,
Orissa – 751009

SOLICITORS /ADVOCATES:

M/s Sarthak Advocates & Solicitors Delhi	M/s Raghunandan Associates Hyderabad
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Registered Office:

Plot No.237, 2nd Floor
Bapujinagar
Bhubaneswar
Orissa- 751 009

Corporate Office:

304-O, Road No 78,
Filmnagar, Jubilee Hills,
Hyderabad
Telangana -500 033

Regional Office:

A - 102 Sector - 65
Noida - 201307
UttarPradesh
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 and Lenders

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



NOTICE

Notice is hereby given that the 21st Annual General Meeting of Members of Coastal Projects Limited will be held on Friday, the 30th December, 2016 at 12.00 noon 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 31st March 2016 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 31st March 2016.
2. To appoint a Director in the place of Mr. Sharad Kumar (DIN:05187359), Director, 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:

“Resolved that in terms of the provisions of Sections 139, 142 and other applicable provisions if any, of the Companies Act 2013 read with the underlying rules viz., Companies (Audit and Auditors) Rules, 2014 as may be applicable and pursuant to the resolution of the Members at the 19th Annual General Meeting held on 8th December, 2014, the appointment of M/s. U K Mahapatra & Co, bearing ICAI Registration No. 032039E, as independent auditors of the Company to hold office from the conclusion of this meeting until the conclusion of 22nd Annual General Meeting of the Company, be ratified by the Members at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

Special Business

4. To consider and, if thought fit, to pass the following resolution, with or without modifications, as **Special Resolution**:

“Resolved that pursuant to the provisions of section 13 and 61 and other applicable provisions if any, of the Companies Act, 2013 the Authorized Share Capital of Rs750,00,00,000 (Rupees seven hundred and fifty crores) of the company be and is hereby reclassified as a) Rs.600,00,00,000 /- (Rupees six hundred crore only) divided into 60,00,00,000 (sixty crores only) Equity shares of Rs 10/- (Rupees Ten Only) each and (b) Rs.150,00,00,000 /- (Rupees One hundred and fifty Crore only) divided into



Rs.15,00,00,000/-(fifteen crore only) Compulsory Redeemable Preference Shares of Rs. 10/-(Rupees Ten Only) each and existing Clause V of the Memorandum of Association be and is hereby replaced with the following Clause V:

V. The Authorized Share Capital Rs 750,00,00,000 (Rupees seven hundred and fifty crores) of the company be and is hereby reclassified as

(a)The Equity Capital is Rs.600,00,00,000/- (Rupees six hundred crore only) divided into 60,00,00,000 (Sixty crores only) equity shares of Rs 10/- (Rupees ten Only) with power to increase or decrease the same or to sell part of the equity with a premium to any investor on terms and conditions mutually agreeable between the company and the investor, and with power to issue any shares in the new capital with any preference or priority in the payment of dividends or the distribution of assets or otherwise, or any other shares and to vary and to provide the missing words in the regulations of the company so far as necessary to give effect to any preference or priority and upon the subdivision of shares to apportion the right to vote in manner as between the shares resulting from such division.

(b)Rs.150,00,00,000/- (Rupees one hundred and fifty crore only) divided into Rs.15,00,00,000/-(Fifteen crore only) either Compulsory Redeemable Preference Shares and/or Compulsory Convertible Preference Shares and/or Optionally Convertible Preference Shares of Rs. 10/-(Rupees Ten Only).

Resolved further that pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act 2013 subject to such approvals as may be required from time to time *Article 5* of the Article of Association be and is hereby altered by replacing the existing article with the following:

5. **The Authorized Share Capital Rs 750,00,00,000 (Rupees seven hundred and fifty crores) of the company be and is hereby reclassified as**
 - a. The Equity Capital is Rs.600,00,00,000/- (Rupees six hundred crore only) divided into 60,00,00,000 (Sixty crores only) equity shares of Rs 10/- (Rupees ten Only) with power to increase or decrease the same or to sell part of the equity with a premium to any investor on terms and conditions mutually agreeable between the company and the investor, and with power to issue any shares in the new capital with any preference or priority in the payment of dividends or the distribution of assets or otherwise, or any other shares and to vary and to provide the missing words in the regulations of the company so far as necessary to give effect to any preference or priority and upon the subdivision of shares to apportion the right to vote in manner as between the shares resulting from such division.



- b. Rs.150,00,00,000/- (Rupees one hundred and fifty crore only) divided into Rs.15,00,00,000/-(Fifteen crore only) either compulsory redeemable preference shares and/or compulsory convertible preference shares and/or optionally convertible preference shares of Rs. 10/-(Rupees ten only).

Resolved further that Board of Directors of the Company be and is hereby authorized to finalize the aforesaid action to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

5. To consider and, if thought fit, to pass the following resolution, with or without modifications, 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 Jagedeesh 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 year2016-17,amounting to Rs.50,000/- (Rupees fifty thousand only) as also the payment of service taxes 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 the following resolution, with or without modifications, as **Special Resolution**:

"Resolved that the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company ("Board") to transfer, sell, lease, assign, deliver or otherwise dispose of, mortgage and/or charge (in addition to the mortgages/charges previously created) all the immovable and movable properties of the Company, wheresoever situate, present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company and/or conferring power, to enter upon and to take possession of assets of the Company in certain events, to or in favour of banks and/or financial institutions and/or multilateral agencies and/or export import banks and/or other creditors and/or any other persons, inter alia, to enable the Company to implement the asset transfer and to secure the financial assistance provided and/or to be provided by the lenders (whether to the Company or its affiliates, subsidiaries or otherwise) aggregating together with all interest, additional interest, default interest, further interest, principal amounts, premia on prepayment, any fee, costs, charges, expenses and other monies whatsoever stipulated in or payable under their respective financing documents and any other agreements and amendments thereto that have or may be



entered into or to secure any debenture issued/to be issued, upto a sum not exceeding Rs. 7500 Crores at any point of time.”

Resolved further that in connection with the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

7. To consider and, if thought fit, to pass the following resolution, with or without modifications, as **Special Resolution**:

“**Resolved that** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and its Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board for borrowing any sum or sums of moneys from time to time from any one or more banks, financial institutions and other persons, firms, bodies corporate or financial institutions, whether in India or abroad, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained by the Company from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) so that the amount up to which the money may be borrowed by the Board and outstanding at any time shall not exceed Rs. 7500 crores.

Resolved further that in connection with the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

8. To consider and, if thought fit, to pass the following resolution, with or without modifications, as **Special Resolution**

Resolved that pursuant to the provisions of Sections 62(3) and other applicable provisions of the Companies Act, 2013, and in accordance with the memorandum of association and articles of association of the Company and applicable regulations and subject to such conditions or modifications which may be agreed to by the Board, consent of the Company be and is hereby accorded for the Company to issue, offer and allot shares, optionally convertible preference shares (“OCPS”), compulsorily convertible preference shares (“CCPS”) and/or optionally convertible debentures (“OCDS”) to its lenders (“Lenders”) on such terms and conditions as may be specified in the financing documents.”



Resolved further that the consent of the Company be and is hereby accorded for the Company accepting the terms and conditions contained in the financing documents, such terms and conditions to provide, *inter alia*, for an option to the Lenders to convert the whole or part of the outstanding loans (whether then due or payable or not), into shares, OCPS and/or CCPS and/or OCDS of the Company in accordance with applicable law, regulations and guidelines as may be decided by the Lenders and in the manner specified in a notice in writing to be given by the Lenders to the Company and in accordance with the following conditions:

- (i) The conversion shall be in compliance with applicable laws including Sections 19 (2) and 19 (3) of the Banking Regulation Act, 1949 and the Companies Act, 2013 and the rules made thereunder;
- (ii) the conversion right reserved as aforesaid may be exercised by the Lenders on one or more occasions, in the manner and on the terms and conditions as may be specified in the financing documents.

Resolved further that the Board of Directors be and are hereby authorized to issue and allot to the Lenders such number of shares, OCPS and/or CCPS and/or OCDS for conversion of the said portion of the loans under the financing documents as may be desired by the Lenders.

Resolved further that in connection with the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to these resolutions and for matters connected therewith or incidental thereto."

By the order of the Board
For Coastal Projects Limited
sd/-
Company secretary

Place: Hyderabad
Date : 02nd December 2016

**EXPLANATORY STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item 4:**

The present authorised capital of the Company is Rs. Rs 750,00,00,000 (Rupees seven hundred and fifty crores) of the company which as classified as a) Rs.600,00,00,000 /- (Rupees six hundred crore only) divided into 60,00,00,000 (sixty crores only) Equity shares of Rs 10/- (Rupees Ten Only) each and (b) Rs.150,00,00,000 /- (Rupees One hundred and fifty Crore only) divided into Rs.15,00,00,000/-(fifteen crore only) Compulsory Convertible Preference Shares (CCPS) of Rs. 10/-(Rupees Ten Only) each and now proposed to reclassify these Compulsory Convertible Preference Shares to Compulsory Convertible Preference Shares and/or Compulsory Redeemable Preference shares and/or Optionally Convertible Preference shares.

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.

Item 5:

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/approved by the Members of the Company.

Accordingly, the Members are requested to approve the remuneration payable to the Cost Auditors for the financial year 2016-17 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.

Item 6:

Section 180 (1)(a) of the Companies Act, 2013, provides that a company shall sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company only with the consent of its members by a special resolution in a general meeting. And as the Company's operations are likely to increase in the near future wherein the Company would need to resort to such borrowings from banks/ financial institutions or other lenders and/or sell, lease, assign, dispose of create any security interest or otherwise transfer its assets and/or undertakings which might be considered as disposal of the Company's undertaking within the meaning of Section 180 (1)(a) of the



Companies Act, 2013, requiring the members' consent for the same. In view of the same, it is proposed to increase the Board's limits for transfer or disposal of its assets and undertakings and for creation of security interests, from the existing limit of Rs. 6500 crore to Rs. 7500 crore.

Pursuant to Section 180 (1)(a) of the Companies Act, 2013, approval of the members is sought for passing of the special resolution as mentioned in item no. 6 above.

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.

Item 7:

Section 180 (1)(c) of the Companies Act, 2013, provides that a company shall borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, only with the consent of its members by a special resolution in a general meeting. And as the Company's operations are likely to increase in the near future wherein the Company would need to resort to such borrowings from banks/ financial institutions or other lenders which might exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business as specified under Section 180 (1)(c) of the Companies Act, 2013, requiring the members' consent for the same. In view of the same, it is proposed to increase the Board's borrowing limits, from the existing limit of Rs. 6500 crore to Rs. 7500 crore.

Pursuant to Section 180 (1)(c) of the Companies Act, 2013, approval of the members is sought for passing of the special resolution as mentioned in item no. 7 above.

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.

Item 8:

Section 62 (3) of the Companies Act, 2013 provides that the other provisions of Section 62 (further issue of share capital) of the Companies Act, 2013 shall not apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such



debentures or loans into shares in the Company, provided that the terms of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting. And as the new/ refinancing lenders and/or investors of the company have the option to convert their loans into shares, optionally convertible preference shares ("OCPS") compulsorily convertible preference shares ("CCPS") and/or optionally convertible debentures ("OCDS"), members consent for the same would be required under Section 62 (3) of the Companies Act.

Pursuant to Section 62 (3) of the Companies Act, 2013, approval of the members is sought for passing of the special resolution as mentioned in item no. 8 above.

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.

By the order of the Board
For Coastal Projects Limited
sd/-
Company secretary

Place: Hyderabad

Date : 02nd December 2016

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).



DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the **21st Annual Report** on the Progress of the Company together with the Audited Accounts for the year ended **31st March 2016**.

FINANCIALS:

A. Standalone

The key financials are as per table below:

Rs. in Millions

Particulars	FY 2015-2016	FY 2014-2015
Operational Income	10,417.36	13,491.12
Other Income	126.03	192.38
Operational expenditure	8391.02	10,722.64
EBITDA	2,152.38	2,960.86
Interest & Finance Charges	3,907.68	5,204.53
Depreciation	1,526.06	2,220.75
PBT	(3,281.30)	(4,464.42)
Tax	393.26	(554.06)
PAT	(2,888.10)	(3,910.36)
Net Cash Accruals	(1,362.04)	(1,689.60)
EBITDA %	20.66%	21.94
PAT %	(27.72)	(28.98)

- a) **Revenue from Operations:** There has been a significant decline of 22.78% in the Revenue from operations of the company from Rs 13,491.12 Million during FY 15 on account of lower conversion of order book execution. This was mainly due to delay in execution of some of the projects for want of various government clearances and pending approval on escalation of rates, geological conditions, de-watering of TBMs, working capital crunch and also delay in kick start of AP and Telangana Projects . Even compared to SDR projections for FY 2016, the actual turnover is 18.35% lower from estimated turnover of Rs 12,758.00 Million (consisting of estimated RA billing of Rs 11,900.00 Million and escalations of Rs 850.70 Million) to Rs 10,417.40 Million.
- b) **EBITDA Margin:** Operational expenditure declined by 21.75 per cent from Rs 10,722.64 Million during FY 2015 to Rs 8,391.00 Million during FY 2016 primarily due to fall in revenue from operations which itself declined by 22.78 percent from Rs 13,491.12 Million in FY 2015 to Rs 10,417.36 Million in FY 2016.



Hence, EBITDA margin got strained on account of overhead and administration expenses which are more fixed in nature and did not reduce proportionately and hence brought the margin down from 21.95% in FY 2015 to 20.66% in FY 2016.

- c) **PAT Margin:** During FY 2016, the PAT loss of the company was lower at a level of Rs 2,888.10 Million in FY 2016 compared to Rs 3,910.36 Million in FY 15. Same is on account of lower depreciation and interest cost compared to FY 15 levels.
- d) **Interest Cost:** Lower interest cost due to invocation of majority SDR lenders stopped recognizing interest on the account for 18 months as the company was under standstill and unable to service lender dues.

Accordingly, the interest Rs 1419.40 Million was accrued but not applied.

- e) **Depreciation:** Lower depreciation charged in FY 2016 because in previous year FY 2015, due to change in depreciation recognition method based on useful life, company recognized one time higher depreciation of Rs 2,220.75 Million in FY 15 to comply with the changes in Companies Act.

Going forward the depreciation will gradually reduce for the existing asset base based on useful life.

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 including escalation and extra works (Millions)
1	J-Chokkarao Devadula - Lift Irrigation Scheme - Phase - III Package no. 2 & 3 Andhra Pradesh	14,881.30
2	NF Railway – Maligaon, Manipur	23,969.00
3	Bangalore Metro Railway Tunneling Project, Karnataka	6,947.70
4	BMRCL Underground Majestic station works	3,443.90
5	Pula Subbaiah Veligonda project - Tunnel – 2, Andhra Pradesh	10,851.00
TOTAL		60,092.90



The Company was awarded the following major projects:

Sl.No	Project Details	Contract Value (Millions)
1	NF Railway Tunnel-8,9&11	709.23
2	NF Railway Tunnel-1 IFCD Thoubal	643.78
	TOTAL	1,353.01

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. Following to this, lenders had considered conversion of WCTL, FITL and overdue interest into Compulsory Convertible Preference Sharesto provide relief to the company. The RBI had come out with a circular dated 08.06.2015 providing for conversion of debt to equity under the Strategic Debt Restructuring (SDR) Scheme. After several deliberations, the lenders agreed to set 25.07.2015 as the reference date for invocation of SDR and thereby converted 180.51 Crores of debt into equity by holding 54.55% stake in CPL post SDR.

As per SDR guidelines, lenders post attaining majority shareholding have to initiate change in management and the same shall be done within 18 months (i.e. January 24, 2017) from the reference date. After considerable efforts for 12 months from reference date, CPL has received Binding Investment offer from two potential Investors for buying parts of the business of CPL based on the discussions between the Investors and the Company.

DEBENTURES:

Members are aware that the Company had Compulsory Convertible Debentures to the tune of Rs. 2000 million as mentioned herein below:-

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.

b) 15.00% Redeemable Debentures:

Out of Rs 1000 million, Rs 250 million repaidto IFCI Limited and balance was converted to Term loan.



DIVIDEND

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

TRANSFER TO RESERVES

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report except the corporate debt restructuring mentioned elsewhere in this report.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met ten times during the year 2015 -16 i.e., 02nd May, 16th May, 12th June, 13th August, 26th August, 28th August, 28th October, 25th November, 23rd December, and 31st March 2016.

Sl No	Name of the Director	DIN	Category	No of meetings attended
1	S.Surendra	00398152	Chairman	10
2	G.Hari Hara Rao	02240794	Managing Director	10
3	N.Sridhar	06549014	Director	10
4	Sharad Kumar	05187359	Director	10

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:

Particulars required under section 134(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are as follows.

Conservation of Energy:

The steps taken or impact on conservation of energy: The Energy Conservation measures have been implemented wherever possible. The Company is making sincere efforts



towards conservation of energy through improved operational methods and all other possible methods.

The steps taken by the company for utilizing alternate sources of energy: The Company is taking necessary steps to use alternative sources of energy.

The capital investment on energy conservation equipment: Nil

B) Technology Absorption: The company strives continuously to upgrade its technology in all its operations.

C) Foreign Exchange Earnings and Outgo: as per Annual Accounts enclosed.
 The particulars of foreign exchange earnings and outgo are given below:

(INR Million)

Particulars	2015-16	2014-15
Earnings	-	
Outgo		
- Imports	-	
- Expenses	55.77	5.50
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:

- in the preparation of the annual accounts for the year ended March 31, 2016, 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;
- 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, 2016 and of the profit/loss of the company for the year ended on that date;
- 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;
- 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.
- (f) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively

DIRECTORS & KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Companies Act, 2013 and rules framed thereunder, Mr. Sharad Kumar, 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.

In pursuance of 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

In pursuance of the provisions of Section 197(12) of the Companies Act, 2013 read with the Rules 5(2) and 5(3) of the Companies (Appointment and remuneration of Managerial personnel) Rules 2014, none of the employees is drawing remuneration in excess of the limits set out in the said rules.

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 31st March, 2016. 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 as *Annexure-2*.

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

As required by the Provisions of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors of the Company, consisting of Members Mr. Hari Hara Rao, Mr. N.Sridhar and Mr. Sharad Kumar. The said Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which have been approved by the Board. This policy envisages CSR Activities to be taken up, amount of expenditure to be incurred and monitoring of the CSR Activities from time to time. During the year the company was not required to spend any amount on CSR.



STATUTORY AUDITORS AND THEIR REPORT

The Statutory Auditor of the Company viz., M/s. U.K.Mahapatra & Co., Chartered Accountants retire at the conclusion of the this Annual General Meeting and have confirmed their eligibility and willingness to accept the office of Statutory Auditor, if reappointed to hold office from the conclusion of the this twenty first Annual General Meeting up to the conclusion of the twenty second Annual General Meeting.

The Statutory Auditor Report to the shareholders of the Company does contain qualification(s).

Explanation to the points mentioned in the Auditors Report has been fully explained in note 42 of the financial statement which is self-explanatory.

Emphasis of matter has been given in the Auditors Report on investment in one of the subsidiaries has been fully explained in note 39 of the financial statement which is self-explanatory.

COST AUDITORS

The Board has appointed M/s Jagadeesh Babu & co., Cost Accountants, (Firm Registration No. 102469) as Cost Auditors of the Company 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 2015 -16. The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed herewith as **Annexure – 4**

The Secretarial Auditor Report does contain few observations regarding non filing/ delay in filing few forms which will be complied during the year.

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 are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report except the strategic debt restructuring mentioned elsewhere in this report.

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 Italia& Associates, Chartered Accountants, (Firm Registration No. 003793S) 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

CPL over the past more than a decade has earned a reputation as 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 5 years, due to economic downturn the infrastructure sector in India has adversely affected. Thus, CPL like all 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.

Like all other infra companies, 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 couldn't 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).

The implementations of CDR package got delayed by a quarter and also do to continuous challenges faced by the company in the FY 15 due to the overall macroeconomic hasn't changed, further the Govt. struggled to stabilize the economy in various states where the company is executing its major projects. Following to this, lenders had considered conversion of WCTL, FITL and overdue interest into CCPS to provide relief to the company. The RBI had come out with a circular dated 08.06.2015 providing for conversion of debt to equity under the Strategic Debt Restructuring (SDR) Scheme. After several deliberations, the lenders agreed to set 25.07.2015 as the reference date for invocation of SDR and thereby converted 180.51 Crores of debt into equity by holding 54.55% stake in CPL post SDR.

As per SDR guidelines, lenders post attaining majority shareholding have to initiate change in management and the same shall be done within 18 months (i.e. January 24, 2017) from the reference date. After considerable efforts for 12 months from reference date, CPL has received Binding Investment offer from two potential Investors for buying parts of the business of CPL based on the discussions between the Investors and the Company.

Macroeconomic Review

The Indian economy has emerged as a bright spot in the world economy, becoming one of the fastest growing large economies in the world. The 7.6 per cent growth in the GDP at constant market prices in 2015-16, according to the advanced estimates of the Central Statistics Office, compares favorably with growth in the previous year 7.2 per cent in



2014-15. It is noteworthy that this growth is estimated to be achieved despite subdued global demand that dampened India's exports significantly, and two consecutive below-normal monsoons that impacted farm output and productivity. The macroeconomic stability has improved substantially with the continuance of fiscal prudence, lower inflation, lower current account deficit, and robust foreign exchange reserves.

From the demand angle, the growth in private final consumption expenditure at 7.6 per cent in 2015- 16 has been the major driver of growth. The growth of fixed investment improved from 4.9 per cent in 2014- 15 to 5.3 per cent in 2015-16. The exports and imports are both estimated to decline by 6.3 per cent in 2015- 16, the former mainly on account of subdued global demand and the latter largely reflecting the decline in international petroleum prices.

The growth in agriculture, industry and services is clocked at 1.1 per cent, 7.3 per cent and 9.2 per cent in 2015-16 as opposed to (-) 0.2 per cent, 5.9 per cent and 10.3 per cent respectively in 2014-15. This shows a pick-up in industrial growth, driven by manufacturing which is at 9.5 per cent (in 2015-16), as compared to 5.5 per cent registered in 2014-15. The growth in agriculture remained low on account of second consecutive year of subdued monsoon. However, concerns surrounding construction and mining activities in the country still exist.

Overall, in the light of encouraging performance of the economy in FY 15-16 marked by pick-up in economic growth, lower inflation, manageable current account deficit, high foreign exchange reserves, buoyant tax revenues, increasing foreign direct investment flows along with the government's push to reforms in crucial areas including banking, infrastructure, power, taxation, etc., the near term prospects for the economy look bright. The outlook for domestic macroeconomic parameters is generally optimistic and a growth around 11% is in the realm of possibility in FY 17.

CPL Key Developments

The company has well diversified business portfolio spread across six business verticals like, Tunnel Boring Machine(TBM) , Hydro, Irrigation, Railways and fencing works, Electrical & Buildings and Mining.

The company has more than two decades of experience in construction sector and recognized as one of the key constructions players in the country. The company is engaged in the business of underground/tunnel works, canal/irrigation works, metro rail projects, mining projects, highways, buildings, border fencing works, hydro power



projects etc. The Company is executing contract works for corporations from private and public sector across various states in India. With the core experience it has gained in the field of tunnelling, it has formed joint ventures with better competencies and financial strength to take up certain mega projects in power generation and irrigation to expand its horizon in construction sector, but mostly on EPC contract basis. The Company is diversified across sectors and geographies executing projects across 16 states in India. Further, the Company has completed over 130 Km tunnel works and it is presently executing about 320 Km tunnel works in India. The Company has a gross equipment base of about Rs 1,544 Crore as on March 31, 2016, viz., TBM, excavators/ boomers, jack hammers, welding machines, launching girders, crushers, ready mix concreting plants and general equipment.

In FY 16, the company bagged new order worth of Rs 130 Cr in North East. and cumulatively executed the projects worth 6,453 Cr till date. As on 31st Mar'16, the Order book of the company stood at 6513 Crores.

CPL has also made continuous improvements in projects execution efficiencies. The BMRCL projects are nearing in completion and shall be concluded by the end of 2016, Inspite of finishing 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 in FY 15 . 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.

The company had strong contracts management department in analysing and understanding contracts in terms of commitments, responsibilities, risk and returns. Most of the operations have been executed as per the underlying contracts. In this view point, the company stake claims for client-side delays in several earlier projects. Lenders have appointed top forum company Ernst and Young (E&Y) for monitoring day to day cash flow management and etc.

The company has effective and robust system of internal controls to help management review the effectiveness of financial and operating controls. The Board of Directors periodically reviews the findings and recommendations of the Auditors and takes necessary actions as deemed necessary.



SUCH OTHER MATTER:

PAID UP SHARE CAPITAL:

During the year, the Company has allotted equity shares to the bankers as part of the Strategic Debt Restructuring Scheme.

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 Coastal Projects Limited

Place: Hyderabad

Date : 02nd December 2016

S.Surendra
Chairman

**Annexure - 1**

FORM NO. MGT 9					
<i>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.</i>					
EXTRACT OF ANNUAL RETURN					
As on the financial Year ended 31/03/2016					
I	REGISTRATION & OTHER DETAILS:				
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	Address of the Registered office & contact details				
	Address :	237, Bapuji Nagar, 2nd Floor, - 751009 Bhubaneswar , Orissa, INDIA			
	Telephone (with STD Code) & fax	0674 -6942656 , 0674 - 2597956			
	Email Address :	cs@coastalprojects.co.in			
	Website, if any:	www.coastalprojects.co.in			
vi	Whether listed company	NO			
vii	Name and Address of Registrar & Transfer Agents (RTA):-				
	Karvy Stock Broking Limited 46, Avenue-4, Street No 1, Banjara Hills, Hyderabad ,Telangana -500034				
II	PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY				
	All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-				
Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company		
1	Construction & Civil Engineering	41001, 41002, 42101, 42201, 42204	100%		
III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES				
S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
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	50.18	Sec 2 (87)



6	Ujjawala Power Pvt Ltd	U40101DL2010PTC208285	Subsidiary	100	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)

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	
. Promoters									
(1) Indian									
a) Individual/HUF	38260641		38260641	11.56	38260641		38260641	11.56	
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI	184956873		184956873	55.89	184956873		184956873	55.89	-
f) Any Other....									
Sub-total (A) (1):-	223217514		223217514	67.45	223217514		223217514	67.45	-
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.	107718086		107718086	32.55	107718086		107718086	32.55	
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-	107718086		107718086	32.55	107718086		107718086	32.55	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	330935600		330935600	100	330935600		330935600	100	-
B. Public Shareholding		-			-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	330935600		330935600	100	330935600		330935600	100	-


(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	33854313	10.23	11.44	33854313	10.23	11.44	-
2.	S.Papayya	645753	0.20		645753	0.20		-
3.	S.Santhisree	2848895	0.86		2848895	0.86		-
4.	G.Hari Hara Rao	455000	0.14		455000	0.14		-
5.	N.Swaroop Rani	41799	0.01		41799	0.01		-
	Total	37845760	11.44		37845760	11.44		-

(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):				
3	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

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


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				
i) Principal Amount	41,841.13	87.37	-	41928.50
ii) Interest due but not paid	168.53			168.53
iii) Interest accrued but not due	138.72		-	138.72
Total (i+ii+iii)	42148.38	87.37	-	42235.75
Change in Indebtedness during the financial year				
Addition	2124.26			2086.79
Reduction		37.47		
Net Change	2124.26	37.47		2086.79
Indebtedness at the end of the financial year				
i) Principal Amount	43892.29	49.90		43942.19
ii) Interest due but not paid	380.35			380.35
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	44272.64	49.90		44322.54

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 <ul style="list-style-type: none"> ● Fee for attending board / committee meetings ● Commission ● Others, please specify 	No Managerial Remuneration has been paid.	
	Total (1)		
2.	Other Non-Executive Directors <ul style="list-style-type: none"> ● 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 7200.00	---	1646565.00 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 :Company filed a compounding application with RBI and compounded.					
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.	Not Applicable
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.	Not Applicable

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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-751009,
Khurda, Orissa,
India

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 31st March, 2016 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 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 there under.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made



there under 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 erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(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 28th 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 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
- (ii) The erstwhile Listing Agreement entered into by the Company with Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from 1st December, 2015 (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/documents with the Registrar of Companies beyond the due dates. There were also some instances where the Company is yet to file the forms and the delay has crossed 270 days as prescribed under Section 403 of the Companies Act, 2013.
2. Pursuant to Section 149 of the Companies Act, 2013 the Company is required to appoint Women Director and the Independent Director(s) . The Company is yet to comply with this requirement. Accordingly the composition of Corporate Social Responsibility Committee, Audit Committee and Nomination and Remuneration Committee constituted by the board are not in line with the provisions of Section 135, 177 & 178 of the Companies Act, 2013.
3. Pursuant to Section 158 of the Companies Act, 2013 read with Companies (Registration Offices and Fees) Rules, 2014, the Company has not mentioned the Director Identification Number (DIN), and address of the person signing the resolutions, extracts filed with the Registrar of Companies.
4. Based upon the representation provided by the Company and the certificate dated 14th September, 2016 obtained by Cost Accountant, the Company is not covered under the scope of cost records and audit rules, 2014 for the financial year 2015-16.



5. The Special Resolution passed in 20th Annual General Meeting for offer, issue and allotment of 21,20,00,000 (Twenty One Crores Twenty Lakhs only) Equity Shares having a face value of Rs 10/- each have incomplete disclosures as required under Section 62 read with rules made thereunder.
6. The Company is yet to file Annual Performance Report in Form ODI part II in respect of its investment in one of its Wholly-owned Subsidiary.
7. The Company is yet to file Annual Return on Foreign Liabilities and Assets for the Financial Year 2014-15 with the Reserve Bank of India.
8. The Company has allotted 18,48,242 Compulsorily convertible preference shares of Rs 10/- each aggregating to 1848,242 to M/s Blue Bird Pharma Holding LLC of United States of America. However Form FC-GPR was filed with RBI on 14th May, 2015 with a delay of more than 1 year. The Company has filed compounding application in this regard and received a compounding order dated 29th February, 2016. RBI has levied a penalty of Rs 60,000 and the same was paid by the Company.

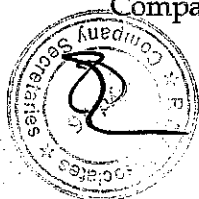
We further report that;

The Board of Directors of the Company is not 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.

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.

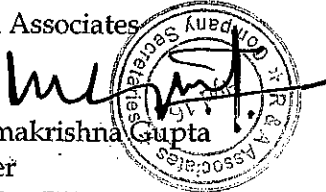
All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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/Strategic Debt Restructuring, the package provides for moratorium to interest rate payment and readjustment of tenures for repayment of outstanding term loans.

For and Behalf of
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: 1st December, 2016
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, 2nd Floor, Bapuji Nagar,
Bhubaneswar-751009,
Khurda, Orissa, India.

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
R & A Associates


R. Ramakrishna Gupta
Partner
FCS No : 5523
C P No : 6696
Technopolis, T 202,
1-10-74/B, Begumpet,
Hyderabad - 500 016
Telangana, India

Date: 1st December, 2016
Place: Hyderabad

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COASTAL PROJECTS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **COASTAL PROJECTS LIMITED** ("the Company") CIN: U45203OR1995PLC003982 having registered office at # 237, 2nd floor, Bapuji Nagar, Bhubaneswar - 09 which comprise the Balance Sheet as at 31 March, 2016, 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 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 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.

Auditor's' Responsibility

Our responsibility is to express an opinion on these 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

As stated in note 42 to the financial statements, the deferred tax asset of ₹2,082.56 million (31 March, 2015: ₹1,716.16 million) has been recognized. In the absence of virtual certainty and 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 ₹366.39 million (31 March, 2015: ₹564.91 million), and the balances in Reserves and Surplus, and Deferred Tax Assets would have been lower by ₹2,082.56 million (31 March, 2015: ₹1,716.16million).

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 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, 2016 and its loss and its cash flow for the year ended on that date.

Emphasis of Matter

The Company has an investment of ₹843.41 million (31 March, 2015 ₹401.97 million) in its wholly owned subsidiary and has advanced share application money aggregating to ₹855.13 million (31 March, 2015 ₹266.67 million) as at 31 March, 2016. Based on unaudited financial statements, the subsidiary had incurred losses ₹0.79 million for the year ended 31 March, 2016 and its accumulated loss of ₹252.21 million as at 31 March, 2016. However, no provision for diminution in the value of investments (including share application money) has been made by the company, for the reasons stated in note 39 to the financial statements.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "**Annexure B**" 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 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 matter 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 matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid 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 written representations received from the directors as on 31 March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (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. However, there are other long term contracts, against which we are unable to comment relating to 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 U. K. Mahapatra & Co.
Chartered Accountants
(Registration No. 320039E)

Place: Bhubaneswar
Date: 05 October, 2016

Manas Kumar Mania
Partner
(Membership No. 300113)

ANNEXURE “ A ” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of Coastal Projects Limited (the “Company”) as on 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For U.K. Mahapatra & Co.

Chartered Accountants

(Registration No 320039E)

Place: Bhubaneswar

Date: 05 October, 2016

Manas Kumar Mania

Partner

(Membership No. 300113)

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Paragraph 2 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.
 - (b) A major portion of the fixed assets have been 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 having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date.
- (ii) As explained to us, inventories were physically verified during the year by the management at reasonable intervals 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, Limited Liability Partnerships 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 stipulation, the terms and conditions of the grant of such loans has not been commented upon.
 - (b) In the absence of stipulation, we are unable to comment whether the schedule of repayment principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular.
 - (c) In the absence of stipulation, we are unable to comment whether any overdue amount remaining outstanding as at the balance sheet date.

- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the company has not accepted any deposits to which the directions issued by the Reserve Bank of India and the provisions of section 73 to section 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed 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 has not been regular in depositing undisputed statutory dues of Provident Fund, Income-tax, Service Tax and Works 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, 2016 for a period of more than six months from the date they became payable except the following,

Name of Statute	Nature of Dues	Amount (in Million)	Period to which the Amount Relates	Due Date
Income Tax Act, 1961	Tax Deducted at Source	55.19	2012-13	Various
		56.99	2013-14	Various
		30.92	2014-15	Various
		22.13	2015-16	Various
Wealth Tax Act 1957	Wealth Tax	0.38	2012-13	Various
The Finance Act, 1994	Service Tax	102.82	2014-15 & 2015-16	Various
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	14.60	2014-15 & 2015-16	Various
	Interest on Provident Fund	3.33	2014-15 & 2015-16	Various
Tax on Professions, Trades, Callings and Employment Act	Professional Tax	1.41	2014-15 & 2015-16	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 31 March, 2016 on account of disputes.
- (viii) 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 – Loans	25.00	-	1 to 180 days
	12.50	-	181 to 365 days
Banks – Loans	1,178.49	954.57	1 to 180 days
	968.76	585.03	181 to 365 days

- (ix) The company has not raised moneys by way of initial public offer or future public offer (including debt instruments). In our opinion and according to the information and explanation given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) 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 by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has paid/provided managerial remuneration in accordance with the request approval mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.
- (xii) The Company is not a Nidhi company had hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transition has been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully of party convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non - cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Bhubaneswar
Date: 05 October, 2016

Manas Kumar Mania
Partner
(Membership No. 300113)

COASTAL PROJECTS LIMITED
Balance Sheet as at 31 March, 2016

(₹ in Million)

	Note No.	As at 31 March, 2016		As at 31 March, 2015	
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	3	3,309.36		1,522.52	
(b) Reserves and surplus	4A	(634.10)	2,675.26	2,235.70	3,758.22
(2) Promoters' contribution	4B		-		-
(3) Non-current liabilities					
(a) Long-term borrowings	5	23,212.78		24,007.35	
(b) Other long-term liabilities	6	790.18		445.79	
(c) Long-term provisions	7	16.98	24,019.94	17.08	24,470.22
(4) Current liabilities					
(a) Short-term borrowings	8	16,883.55		15,626.12	
(b) Trade payables	9				
(i) Due to micro and small enterprises		-		-	
(ii) Others		2,515.75		2,523.52	
(c) Other current liabilities	10	8,058.83		6,081.73	
(d) Short-term provisions	11	7.96	27,466.10	88.65	24,320.02
TOTAL			54,161.30		52,548.46
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	12	3,747.61		4,990.39	
(ii) Intangible assets		0.01		0.01	
(iii) Capital work-in-progress		-	3,747.62	226.63	5,217.03
(b) Non-current investments	13	2,040.29		1,598.85	
(c) Deferred tax assets	14	2,082.55		1,716.16	
(d) Long-term loans and advances	15	3,264.11		3,980.74	
(e) Other non-current assets	16	4,661.44	12,048.39	4,130.80	11,426.55
(2) Current assets					
(a) Inventories	17	13,450.73		11,291.85	
(b) Trade receivables	18	12,382.78		11,313.15	
(c) Cash and cash equivalents	19	395.43		478.20	
(d) Short-term loans and advances	20	3,406.48		3,851.39	
(e) Other current assets	21	8,729.87	38,365.29	8,970.29	35,904.88
TOTAL			54,161.30		52,548.46
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)

For and on behalf of the Board of Directors

Manas Kumar Mania
Partner
(Membership No 300113)

N. Sridhar
Director Finance

G.Hari Hara Rao
Managing Director

N.Varalakshmi
Company Secretary

Date : 05 October, 2016
Place: Bhubaneswar

Date : 05 October, 2016
Place: Hyderabad

COASTAL PROJECTS LIMITED
Statement of Profit and Loss for the year ended 31 March, 2016
(₹ in Million)

	Note No.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
I. Revenue			
(a) Revenue from construction contracts (net)		10,417.36	13,491.12
(b) Other income	22	126.03	192.38
Total Revenue		10,543.39	13,683.50
II. EXPENSES			
(a) On construction contracts:			
(i) Cost of materials consumed	23	3,880.01	3,985.38
(ii) Change in inventories of work-in-progress	24	(2,429.19)	(2,067.57)
(iii) Construction expenses	25	5,647.03	7,078.20
(b) Employee benefits expense	26	930.20	1,009.42
(c) Finance costs [Refer note 5.6]	27	3,907.68	5,204.53
(d) Depreciation and amortisation expense	12	1,526.06	2,220.75
(e) Other expenses	28	362.97	717.20
Total expenses		13,824.76	18,147.91
III. Loss before tax (I-II)		(3,281.36)	(4,464.41)
IV. Tax expense /(Benefit):			
Current Tax			
Short / (Excess) provision for tax relating to prior years		(26.88)	10.86
Deferred tax		(366.39)	(564.91)
Net tax benefit		(393.26)	(554.05)
V. Loss for the year (III-IV)		(2,888.10)	(3,910.36)
VI. Earnings per share - (Face value of ₹ 10 each)			
Basic & Diluted	34	(23.35)	(204.05)
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)

For and on behalf of the Board of Directors

Manas Kumar Mania

Partner

(Membership No 300113)

N. Sridhar

Director Finance

G.Hari Hara Rao

Managing Director

N.Varalakshmi

Company Secretary

Date : 05 October, 2016

Place: Bhubaneswar

Date : 05 October, 2016

Place: Hyderabad

COASTAL PROJECTS LIMITED
Cash Flow Statement for the year ended 31 March, 2016
(₹ in Million)

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
A. Cash flow from operating activities:		
Loss before tax	(3,281.36)	(4,464.41)
Adjustment for:		
Depreciation and amortisation expense	1,526.06	2,220.75
Interest income	(54.29)	(69.19)
Finance costs	3,907.68	5,204.53
Net unrealised foreign exchange loss	1.20	19.45
Capital work-in-progress expensed off	-	43.62
Other receivables written off	-	205.69
Profit on sale of fixed assets	(0.53)	-
Loss on sale of fixed assets	0.06	0.44
Operating profit before working capital changes	2,098.82	3,160.88
Changes in working capital :		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,158.88)	(2,280.82)
Trade receivables	(1,069.63)	(1,461.53)
Short-term loans and advances	459.14	1,944.05
Long term loans and advances	558.44	(505.70)
Other current assets	255.97	(1,716.02)
Other non-current assets	(1,068.02)	(2,469.69)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	(7.77)	533.99
Other current liabilities	437.33	(915.85)
Other long-term liabilities	344.40	(136.94)
Short-term provisions	(0.65)	(13.87)
Long-term provisions	(0.10)	3.34
Cash used in operating activities	(150.95)	(3,858.16)
Income Tax Paid	(56.21)	(153.18)
Net cash used in operating activities (A)	(207.16)	(4,011.34)
B. Cash flow from investing activities:		
Capital expenditure on fixed assets, including capital advances	91.68	(876.02)
Proceeds from sale of fixed assets	1.45	4.21
Bank balances not considered as cash and cash equivalents	323.47	403.89
Investment in subsidiaries (including share application money)	-	-
Proceeds from sale of long term investment in subsidiaries	-	0.05
Loan realised from related parties and subsidiaries	(14.22)	13.26
Interest received	60.89	71.19
Net cash used in investing activities (B)	463.27	(383.42)
C. Cash flow from financing activities:		
Proceeds from long-term borrowings (net of repayments /adjustments) [Refer note 2 (b,c) below]	(394.77)	3,125.71
Proceeds from short-term borrowings (net of repayments/adjustments)	1,257.13	3,836.54
Finance costs (net of adjustments) [Refer note 2(a) below]	(951.57)	(2,533.08)
Net cash generated from financing activities (C)	(89.21)	4,429.17
D. Net Increase in cash and cash equivalents (A+B+C)	166.90	34.41
E. Cash and cash equivalents		
at the beginning of the year	213.48	179.07
at the end of the year (Refer note 19)	380.38	213.48

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:

- a) Interest dues of ₹ 3,384.29 million (2015: ₹ 4,138.58 million) has been converted as Funded Interest Term Loan (FITL) as per the Corporate Debt Restructuring (CDR) Scheme.
- b) During the year, based on RBI circular, majority of the lenders have converted debt of ₹ 1,805.13 million into Equity Shares. Further pursuant to the consent of Board of directors ₹ 1,330.89 million of Compulsorily convertible preference shares have been converted in to Equity shares.
- c) During the previous year, promoters contribution aggregating ₹ 1,312.41 million has been converted in to Compulsorily convertible preference shares.

In terms of our report attached

For U.K. Mahapatra & Co.

Chartered Accountants

(Registration No 320039E)

For and on behalf of the Board of Directors

Manas Kumar Mania
Partner
(Membership No 300113)

N. Sridhar	G.Hari Hara Rao
Director Finance	Managing Director

N.Varalakshmi
Company Secretary

Date : 05 October, 2016

Place: Bhubaneswar

Date : 05 October, 2016

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 drawing 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 30 June, 2015 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, 2016. The lenders have therefore invoked Strategic Debt Restructuring Scheme (SDR) on 25 July, 2015 as reference date. Accordingly it was proposed to convert ₹ 2,120.00 million of debt in to equity. The Strategic Debt Restructuring (SDR) scheme was implemented by super majority of lenders by converting debt of ₹ 1,805.13 million at par value of ₹ 10 each per share, there by holding 54.55% stake in 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 is 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 of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

COASTAL PROJECTS LIMITED

Notes forming part of the Financial Statements

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

(₹ in Million)

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of Shares	Amount	Number of Shares	Amount
Authorised:				
Equity shares of ₹ 10 each [Refer note (a) below]	600,000,000	6000.00	600,000,000	6000.00
	600,000,000	6,000.00	600,000,000	6000.00
Compulsorily convertible preference shares of ₹ 10 each [Refer note 3(a) below]	150,000,000	1500.00	150,000,000	1500.00
	150,000,000	1,500.00	150,000,000	1,500.00
Issued, Subscribed and fully paid:				
Equity shares of ₹ 10 each [Refer note 3 (b) & (c) below]	33,09,35,600	3309.36	19,163,468	191.63
Compulsorily convertible preference shares of ₹ 10 each [Refer note 3 (a) & (b) below]	-	-	133,089,346	1330.89
Total		3,309.36		1522.52

Notes:

a) During the previous year, 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.

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.

b) Pursuant to the consent of the Board of Directors of the Company in the meeting held on 28th October, 2015, 13,30,89,346 Compulsorily Convertible Preference Shares (13,12,41,104 Shares of Mr.Surendra and 18,48,242 Shares of Blue Bird Pharma Holding LLC) of ₹ 10 each has been converted into equity shares of 13,12,58,970 (13,12,41,104 Shares to Mr. Surendra ₹ 10 each and 17,866 Shares to Blue Bird Pharma Holding LLC at a premium of ₹ 1,024.50 per share).

c) Based on RBI circular providing for conversion of debt into equity under the Strategic Debt Restructuring Scheme, lenders on 25 July, 2015 invoked SDR and converted debt of ₹ 1,805.13million into equity shares at par value of ₹ 10 each.

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

(₹ in Million)

Particulars	Year ended 31 March, 2016		Year ended 31 March, 2015	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares				
Opening balance	19,163,468	191.63	19,163,468	191.63
Add: Issued during the year				
Conversion of CCPS [Refer note 3 (b) above]	131,258,970	1,312.59	-	-
Conversion of Debt [Refer note 3 (c) above]	180,513,162	1,805.13	-	-
Closing balance	330,935,600	3,309.35	19,163,468	191.63
Compulsorily convertible preference shares (CCPS)				
Opening balance	133,089,346	1,330.89	1,848,242	18.48
Add: Issued during the year	-	-	131,241,104	1,312.41
Less: Converted into Equity shares	133,089,346	1,330.89	-	-
Closing balance	-	-	133,089,346	1,330.89

e) 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 number of Compulsorily convertible preference shares having face value of ₹ 10 each as on 31st March, 2016 Nil (as on 31st March, 2015: 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.)

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

Name of the shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
i) Equity shares				
Tunnel Holdings I Limited	39,013,029	11.79%	2,222,026	11.60%
Mr. S. Surendra	34,063,305	10.29%	4,248,687	22.17%
Fidelity India Ventures	30,235,097	9.14%	16,80,652	8.77%
Sequoia Capital India Growth Investment Holdings I	28,227,762	8.53%	1,084,523	5.66%
State Bank of India	25,857,505	7.81%	-	-
ICICI Bank	24,835,760	7.50%	-	-
Punjab National Bank	22,085,152	6.67%	-	-
Axis Bank	19,000,617	5.74%	-	-

COASTAL PROJECTS LIMITED
Notes forming part of the Financial Statements

4A: Reserves and surplus

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
a) Securities premium account		
Opening balance	3,527.48	3,527.48
Add: Premium on equity shares issued (Refer note below)	18.30	-
Closing balance	3,545.78	3,527.48
b) (Deficit) / Surplus in statement of profit and loss		
Opening balance	(1,291.78)	2,643.55
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	(2,888.10)	(3,910.36)
Closing balance	(4,179.88)	(1,291.78)
Total	(634.10)	2,235.70

Note:

Pursuant to the consent of the Board of Directors of the Company in the meeting held on 28th October, 2015, the Company had issued 17,866 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 Blue Bird Pharma Holding LLC based on independent valuation.

4B: Promoters' contribution (Refer note 41)

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Opening balance	-	1,312.41
Add: Contribution received	-	-
Less: Issue of Preference Shares [Note 3(a)(ii)]	-	1,312.41
Total	-	-

5: Long-term borrowings

(₹ in Million)

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Non-current (Refer note 5.2)	Current*	Non-current (Refer note 5.2)	Current*
a) Debentures				
Secured				
14.38% Compulsory convertible debentures (Refer note 5.1)	-	330.00	-	330.00
b) Term loans				
Secured				
From banks	16,638.46	2,169.62	16,344.54	920.15
From others	5,160.06	696.55	5,730.18	307.18
c) Equipment loans				
Secured				
From banks	215.63	67.91	265.65	13.98
From others	1,198.63	531.88	1,666.98	636.36
d) Other Loans				
Interest free unsecured loan	-	49.90	-	87.37
Total	23,212.78	3,845.86	24,007.35	2,295.04

* 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) For 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.

5.2 Term loan from IFCI Limited:

a) Pursuant to the Corporate Debt Restructuring (CDR) Scheme, these 15% Redeemable Debentures outstanding as at reference date i.e. 27 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 2013 to March, 2015) is disclosed as contingent liability (Refer note.30).

COASTAL PROJECTS LIMITED

Notes forming part of the Financial Statements

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. Further, RBI issued circular providing for conversion of debt into equity under the Strategic Debt Restructuring (SDR) scheme. The lenders in their joint meeting dated 25 July, 2015 proposed to convert ₹ 2,120.00 million of debt into equity. SDR was implemented with super majority. Cumulatively the lenders have converted debt of ₹ 1,805.13 million into equity.

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	Phoenix ARC Private Limited [refer note 5.3 (iii) below]
Export Import Bank of India [®]	Kotak Mahindra Bank Limited
ICICI Bank Limited	India Bulls Finance Limited
IDBI Bank Limited	IDFC Bank Limited
IFCI Limited*	Bank of Bahrain and Kuwait
IndusInd Bank Limited* (note 5.3(iv))	Bajaj Finance Limited
ING Vysya Bank Limited [®]	
Karur Vysya Bank [®]	
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. [®] Equity Shares to be allotted under SDR Scheme.

(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) 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 previous 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 ₹ 1,742.86 million (31 March, 2015: ₹ 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 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 ₹ 4,597.58 million (31 March, 2015: ₹ 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 ₹ 2,333.23 million (31 March, 2015: ₹ 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 ₹ 3,384.29 million (31 March, 2015: ₹ 4,138.58 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 11.55% p.a)] carries rate of interest at 1.25% above SBI base rate (effective 10.55% 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 .

5.6 Pursuant to the Strategic Debt Restructure (SDR) scheme, some of the lenders have stopped charging the interest on the loans outstanding from the reference date i.e, 25th July, 2015 amount to ₹ 1,198.26 millions disclosed as contingent liability (refer note 30).

COASTAL PROJECTS LIMITED
Notes forming part of the Financial Statements

5.7 Nature of security and terms of repayment for secured borrowings:

5.7 (a). All Term Loans(TL/Equipment Loans/FITL/BCTL/WCTL) are secured / to be secured by:	
S.No	Particulars
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.

5.7 (b). Additional Security for the term loans include:	
S.No	Particulars
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, IFCI Limited and CDR lenders 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 41,436,760 (31 March, 2015: 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. b) Undertaking regarding non-disposal of shareholding by the Company in Nepal Jalabidyut Pravardan Tatha Bikas Limited, the Company had sold 50% of its shareholding.

5.7 (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
(₹ 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-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	
1	Axis Bank Limited	7	5	2,333.85	2,281.08	21 to 31	21 to 31	April, 2015 to March, 2023
2	ICICI Bank Limited	9	9	3,624.41	3,486.55	21 to 31	21 to 31	April, 2015 to March, 2023
3	Kotak Mahindra Bank Limited	1	1	281.70	281.70	31	31	July, 2015 to March, 2023
4	South Indian Bank Limited	4	4	964.11	949.03	21 to 31	21 to 31	April, 2015 to March, 2023
5	The Karur Vysya Bank Limited	3	3	302.17	299.60	21 to 31	21 to 31	April, 2015 to March, 2023
6	Central Bank of India	3	3	725.01	652.21	21 to 31	21 to 31	April, 2015 to March, 2023
7	Andhra Bank	4	4	293.75	271.75	21 to 31	21 to 31	April, 2015 to March, 2023
8	Bank of Maharashtra	3	3	922.37	834.09	21 to 31	21 to 31	April, 2015 to March, 2023
9	Bank of Baroda	3	3	151.09	150.26	21 to 31	21 to 31	April, 2015 to March, 2023
10	Canara Bank	3	3	279.66	265.73	21 to 31	21 to 31	April, 2015 to March, 2023
11	Corporation Bank	6	3	113.83	116.19	21 to 31	21 to 31	April, 2015 to March, 2023
12	Dhanalakshmi Bank		1	-	0.92	31	31	July, 2015 to March, 2023
14	ING Vysya Bank Limited	4	4	45.67	42.26	21 to 31	21 to 31	April, 2015 to March, 2023
15	Oriental Bank of Commerce	4	3	972.13	962.91	21 to 31	21 to 31	April, 2015 to March, 2023
16	Punjab National Bank	7	4	1,854.97	2,041.33	21 to 31	21 to 31	April, 2015 to March, 2023
17	Standard Chartered Bank		-	-	-	-	31	April, 2015 to March, 2023
18	State Bank of Hyderabad	3	5	413.77	559.95	21 to 31	21 to 31	April, 2015 to March, 2023
19	State Bank of India	4	4	1,137.56	1,352.83	21 to 31	21 to 31	April, 2015 to March, 2023
20	State Bank of Mauritius	2	3	46.51	49.24	21 to 31	21 to 31	April, 2015 to March, 2023
21	State Bank of Travancore	4	4	844.82	928.70	21 to 31	21 to 31	April, 2015 to March, 2023
22	IDBI Bank Limited	8	8	1,209.02	1,163.52	21 to 31	21 to 31	April, 2015 to March, 2023
23	State Bank of Bikaner & Jaipur	4	4	42.71	49.87	21 to 31	21 to 31	April, 2015 to March, 2023
24	Indus Ind Bank Limited	2	1	560.73	524.97	31	-	July, 2015 to March, 2023
	Total			*17,119.82	17,264.69			

* Includes current portion of ₹ 2001.71 million (31 March, 2015: ₹ 920.35)

5.7 (b) From Others - 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-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	
1	Aditya Birla Finance Limited	2	2	626.99	617.28	31	31	July, 2015 to March, 2023
2	Export Import Bank of India	5	5	1,598.28	1,430.46	21 to 31	21 to 31	April, 2015 to March, 2023
3	L&T Infrastructure Finance Limited	8	7	1,634.87	1,673.24	21 to 31	21 to 31	April, 2015 to March, 2023
4	Siemens Financial Services Private Limited	1	1	129.66	126.16	31	31	July, 2015 to March, 2023
5	Tata Capital Financial Services Limited	3	3	896.95	905.24	21 to 31	31	July, 2015 to March, 2023
6	IFCI Limited	2	2	905.85	891.44	21 to 31	21 to 31	April, 2015 to March, 2023
7	Srei Equipment Finance Ltd	3	2	-	393.54	21	21	April, 2015 to March, 2023
	Total			*5,792.60	6,037.36			

* Includes current portion of ₹ 623.34 million (31 March, 2015: ₹ 307.18)

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-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	
1	Axis Bank Limited	1	1	51.48	47.73	31	31	July, 2015 to March, 2023
2	Bank of Bahrain and Kuwait	1	1	43.95	54.01	31	31	July, 2015 to March, 2023
3	Central Bank of India	1	1	60.83	56.30	31	31	July, 2015 to March, 2023
4	Dhanalakshmi Bank Limited	-	1	-	3.80	31	31	July, 2015 to March, 2023
5	ICICI Bank Limited	1	1	127.27	117.79	31	31	July, 2015 to March, 2023
	Total			*283.53	279.64			

* Includes current portion of ₹ 67.91 million (31 March, 2015: 13.98 million)

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-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	
1	Bajaj Auto Finance Limited	1	1	7.50	40.90	31	31	July, 2015 to March, 2023
2	India bulls Financial Services Limited	1	1	19.92	29.86	31	31	July, 2015 to March, 2023
3	Kotak Mahindra Prime Limited	1	1	-	3.49	31	31	July, 2015 to March, 2023
4	Magma Fincorp Limited	1	1	-	12.26	31	31	July, 2015 to March, 2023
5	Phoenix ARC Private Limited	1	1	233.25	233.25	31	31	July, 2015 to March, 2023
6	Reliance Capital Limited	1	1	-	39.56	31	31	July, 2015 to March, 2023
7	Shriram Equipment Finance Company Limited	1	1	103.12	100.93	31	31	July, 2015 to March, 2023
8	SREI Equipment Finance Limited	1	1	1,281.59	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	40.73	112.70	31	31	July, 2015 to March, 2023
	Total			*1,730.50	2,303.34			

* Includes current portion of ₹ 531.88 million (31 March, 2015: ₹ 636.36)

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-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	
1	Axis Bank Limited	-	-	-	-	-	31	July, 2015 to March, 2023
2	ICICI Bank Limited	-	-	-	-	-	31	July, 2015 to March, 2023
	Total	-	-	-	-	-		

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 2016	Amount (₹ in Million)	Period of Default As at 31 Mar 2015	Amount (₹ in Million)
Debentures				
Principal	968 Days	330.00	602 Days	330.00
Interest	16 - 929 Days	204.31	16 - 593 Days	153.42
Term Loans				
Principal	183 Days	2,184.76	-	-
Interest	305 Days	1,539.60	1 Day	8.82

Note:

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.

COASTAL PROJECTS LIMITED
Notes forming part of the Financial Statements

6: Other long-term liabilities

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Retention money payable to sub-contractors	107.39	81.75
Interest accrued but not due	682.79	364.04
Total	790.18	445.79

7: Long-term provisions

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for employee benefits (Refer Note 35)		
Compensated absences	3.15	3.20
Gratuity	13.83	13.88
Total	16.98	17.08

8: Short-term borrowings

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Cash credits (Repayable on demand)		
Secured		
From banks (Refer notes below)	16,883.55	15,626.12
Total	16,883.55	15,626.12

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 2016	Amount (₹ in Million)	Period of Default As at 31 March 2015	Amount (₹ in Million)
From banks				
Interest	1-305 Days	1,192.19	1 Day	6.29

COASTAL PROJECTS LIMITED
Notes forming part of the Financial Statements

9: Trade payables

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Trade payables		
Due to micro and small enterprises (Refer note below)	-	-
Others	2,515.75	2,523.52
Total	2,515.75	2,523.52

Note:

The principal amount remaining unpaid as at 31 March, 2016 in respect of enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006" (MSMEDA) is ₹ Nil (31 March, 2015: ₹ 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, 2016	As at 31 March, 2015
Current maturities of long-term debt (Refer note 5)	3,845.86	2,295.04
Interest accrued but not due on borrowings	-	138.72
Interest accrued and due on borrowings	380.35	168.53
Book overdraft in bank current accounts	2.62	2.04
Other payables:		
Statutory remittances	344.02	637.11
Retention money payable to sub-contractors	281.37	124.66
Payables on purchase of fixed assets	29.59	38.10
Machinery advance from customers	266.92	327.27
Advance from customers	412.92	472.85
Mobilisation advance from customers (net of adjustments)	2,495.18	1,877.41
Total	8,058.83	6,081.73

11: Short-term provisions

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for employee benefits: (Refer note 35)		
Compensated absences	5.26	5.89
Gratuity	2.70	2.71
Provision for income tax [Net of Advance Tax ₹ Nil (31 March, 2015: ₹ 44.85)]	-	80.05
Total	7.96	88.65

COASTAL PROJECTS LIMITED
Notes forming part of the Financial Statements

12: Fixed assets

(a) Tangible assets

(₹ in Million)

Particulars	Gross block - at Cost				Depreciation and amortisation					Net Block	
	As at 31 March, 2015	Additions	Disposals	As at 31 March, 2016	Upto 31 March, 2015	Adjustments (refer note 1 below)	For the Year	On Disposals	Upto 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
Land - freehold	18.83	-	-	18.83	-	-	-	-	-	18.83	
(Previous Year)	(18.83)	-	-	(18.83)	-	-	-	-	-		(18.83)
Buildings	66.61	-	-	66.61	27.02	-	1.79	-	28.81	37.80	
(Previous Year)	(66.61)	-	-	(66.61)	(25.14)	-	(1.88)	-	(27.02)		(39.59)
Plant & Machinery	10,496.86	47.24	-	10,544.10	6,385.50	-	1,052.87	-	7,438.37	3,105.73	
(Previous Year)	(9,842.17)	(663.44)	(8.75)	(10,496.86)	(4,897.71)	(2.22)	(1,491.54)	(5.97)	(6,385.50)		(4,111.36)
Construction Vehicles	1,851.90	2.05	-	1,853.95	1,519.62	-	112.19	-	1,631.81	222.14	
(Previous Year)	(1,844.68)	(13.85)	(6.63)	(1,851.90)	(1,331.41)	(3.81)	(189.90)	(5.50)	(1,519.62)		(332.28)
Transport Vehicles	358.65	3.68	5.90	356.43	285.98	-	25.74	4.96	306.76	49.67	
(Previous Year)	(360.90)	(1.60)	(3.85)	(358.65)	(243.04)	(2.49)	(43.57)	(3.12)	(285.98)		(72.67)
Furniture and fixtures	60.59	1.55	0.05	62.09	39.49	-	6.62	0.03	46.08	16.01	
(Previous Year)	(58.87)	(1.72)	-	(60.59)	(30.04)	(0.20)	(9.25)	-	(39.49)		(21.10)
Office equipment	86.64	1.19	0.08	87.75	72.40	-	7.47	0.07	79.80	7.95	
(Previous Year)	(85.13)	(1.51)	-	(86.64)	(35.50)	(10.11)	(26.79)	-	(72.40)		(14.24)
Computers	42.80	0.49	-	43.29	40.13	-	0.81	-	40.94	2.35	
(Previous Year)	(41.93)	(0.87)	-	(42.80)	(33.13)	(4.29)	(2.71)	-	(40.13)		(2.67)
Temporary Structures	2,183.78	231.48	3.64	2,411.62	1,806.13	-	318.57	0.21	2,124.49	287.13	
(Previous Year)	(1,850.80)	(333.17)	(0.19)	(2,183.78)	(1,338.60)	(12.89)	(454.82)	(0.18)	(1,806.13)		(377.65)
Total	15,166.66	287.68	9.67	15,444.67	10,176.27	-	1,526.06	5.27	11,697.06	3,747.61	
(Previous Year)	(14,169.92)	(1,016.16)	(19.42)	(15,166.66)	(7,934.57)	(36.01)	(2,220.46)	(14.77)	(10,176.27)	-	(4,990.39)

(b) Intangible assets

Particulars	Gross Block - At Cost				Amortisation					Net Block	
	As at 31 March, 2015	Additions	Disposals	As at 31 March, 2016	Upto 31 March, 2015	Adjustments (refer note 1 below)	For the Year	On Disposals	Upto 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
Software	7.51	-	-	7.51	7.50	-	0.00	-	7.50	0.01	
(Previous Year)	(7.50)	(0.01)	-	(7.51)	(5.04)	(2.17)	(0.29)	-	(7.50)		(0.01)
Total	7.51	-	-	7.51	7.50	-	0.00	-	7.50	0.01	-
(Previous Year)	(7.50)	(0.01)	-	(7.51)	(5.04)	(2.17)	(0.29)	-	(7.50)	-	(0.01)

Grand Total	15,174.17	287.68	9.67	15,452.18	10,183.77	-	1,526.06	5.27	11,704.56	3,747.62	
(Previous Year)	(14,177.42)	(1,016.17)	(728.51)	(15,174.17)	(7,939.61)	(38.18)	(2,220.75)	(14.77)	(10,183.77)		(4,990.40)

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 from 1 April, 2014.

In the previous 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 4A).

2. In the previous year, additions to fixed assets during the previous 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, 2016		As at 31 March, 2015	
	No of Shares	Amount	No of Shares	Amount
Trade investments (Unquoted)(At Cost) [Refer note 8(ii)(6)]				
Investments in equity instruments				
a. In Subsidiaries				
<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)	10,001	843.41	10,000	401.97
b. In Associate				
<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
c. In Jointly controlled entity				
<u>In shares of ₹ 10 each, fully paid up</u>				
Solapur Toll Ways Private Limited	-	-	-	0.00
d. In other entity				
<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
		2,040.29		1,598.85
Aggregate amount of unquoted investments		2,040.29		1,598.85

Note:

13.1. 36,612,510 (31 March, 2015: 36,612,510) equity shares have been pledged and 17,824,250 (31 March,2015:17,824,250) 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. 49,110,750 (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.

13.4. Pursuant to the dilution of its stake in Nepal Jalabidyut Pravardan Tatha Bikas Limited during the previous year, Nepal Jalabidyut Pravardan Tatha Bikas Limited is considered as associate.

COASTAL PROJECTS LIMITED
Notes forming part of the Financial Statements

14: Deferred tax assets (Refer note 42)

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Deferred tax assets on timing difference due to:		
Difference between book balance and tax balance of fixed assets	506.73	405.70
Business loss	608.67	774.11
Unabsorbed depreciation carried forward	958.11	520.73
Provision for gratuity and compensated absences	8.63	8.89
Unrealised foreign exchange loss	0.41	6.73
Total	2,082.55	1,716.16

15: Long-term loans and advances

(Unsecured, considered good)

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Capital advances	608.12	769.36
Security deposits	1,160.08	1,295.94
Loans and advances to related parties: (Refer note 37)		
Share application money pending allotment	1,011.30	422.84
Receivable from subsidiary (Invocation of corporate guarantee) (Refer Note 39)	-	1,029.90
Advance taxes paid [net of provision for tax ₹ Nil (31 March, 2015: ₹ 483.49 million)]	397.33	394.27
Other deposits	87.28	68.43
Total	3,264.11	3,980.74

16: Other non-current assets

(Unsecured, considered good)

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Long term trade receivables:		
Retention money	434.45	697.95
Interest accrued on bank deposits	2.00	24.13
Others		
Balances with banks:		
Deposit accounts (Refer note below)	61.83	20.00
Margin money deposits [Refer notes 19 (i) & (ii)]	-	115.63
Other receivables (net of adjustments) (refer note 38)	4,163.16	3,273.09
Total	4,661.44	4,130.80

Notes:

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

17 Inventories

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Construction materials - at cost	2,496.92	2,767.23
Work-in-progress - lower of cost and net realisable value (refer note 38)	10,953.81	8,524.62
Total	13,450.73	11,291.85

18: Trade receivables* (refer note 38)

(Unsecured, considered good)

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Outstanding for a period exceeding six months from the date they were due for payment	7,842.15	5,416.70
Others	4,540.63	5,896.45
Total	12,382.78	11,313.15

*Includes retention money ₹ 1,667.99 million (31 March 2015: ₹ 1,676.44 million).

COASTAL PROJECTS LIMITED
Notes forming part of the Financial Statements

19: Cash and bank balances

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
Cash on hand	12.88	14.51
Bank balances:		
-in current accounts	367.50	198.97
Total- (A)	380.38	213.48
Other bank balances		
-in earmarked accounts		
Deposit accounts (Refer note (i) below)	15.05	224.58
Margin money deposits (Refer notes (i) & (ii) below)	-	40.14
Total- (B)	15.05	264.72
Total Cash and cash equivalents bank balances (A+B)	395.43	478.20

Notes:

- Pledged with banks towards guarantees, letters of credit issued and loans availed from the banks.
- 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, 2016	As at 31 March, 2015
Loans and advances to related parties (Refer note 37)		
Joint ventures	258.21	258.21
Others	198.23	184.01
Security deposits	116.56	11.17
Loans and advances to employees	39.29	4.19
Prepaid expenses	22.67	24.10
Balance with government authorities :		
Works contract tax receivable	302.38	294.02
Others:		
Advance to suppliers, sub-contractors and others (Refer note 40)	1,715.78	2,363.38
Mobilisation advance to sub-contractors	523.29	466.38
Receivable from directors (refer note 37)	15.20	15.20
Earnest money deposits	214.87	230.73
Total	3,406.48	3,851.39

21: Other current assets

(Unsecured, considered good)

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unbilled revenue (refer note 38)	8,624.43	8,880.39
Interest accrued on:		
Deposits with banks	2.52	10.10
Others (Refer note 37)	84.87	61.75
Other receivables	18.05	18.05
Total	8,729.87	8,970.29

COASTAL PROJECTS LIMITED
Notes forming part of the Financial Statements

22: Other income

(₹ in Million)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Interest income:		
- on deposits with banks	40.52	28.18
- from others	13.76	41.01
Insurance claims	5.05	6.48
Hire Income	47.00	32.66
Profit on sale of fixed assets	0.53	-
Miscellaneous income	19.17	84.05
Total	126.03	192.38

23: Cost of materials consumed

(₹ in Million)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Opening stock	2,767.23	2,553.98
Add: Purchases	3,609.70	4,198.63
Less: Closing stock	2,496.92	2,767.23
Total	3,880.01	3,985.38

24: Change in inventories of work-in-progress

(₹ in Million)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Work-in-progress		
Opening stock	8,524.62	6,457.05
Less: Closing stock	10,953.81	8,524.62
Total	(2,429.19)	(2,067.57)

25: Construction expense

(₹ in Million)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Sub-contract expenses	2,375.83	2,446.45
Labour charges	1,143.36	1,345.60
Job-work charges	269.25	1,273.41
Power and fuel	787.99	821.63
Royalty and seigniorage charges	122.67	128.31
Freight and transportation charges	116.53	157.14
Construction site rental charges	29.68	26.78
Repairs and maintenance :		
Construction equipment	40.20	30.21
Others	32.84	67.66
Construction equipment hire charges (Refer note 44)	636.35	690.51
Technical and consultancy charges	57.48	54.14
Other construction expenses	34.85	36.36
Total	5,647.03	7,078.20

COASTAL PROJECTS LIMITED
Notes forming part of the Financial Statements

26: Employee benefits expense

(₹ in Million)

Particulars	For the Year ended 31 March, 2016	For the Year ended 31 March, 2015
Salaries and wages	865.47	926.78
Contribution to provident and other funds	24.66	25.40
Staff welfare expenses	40.07	57.24
Total	930.20	1,009.42

27: Finance costs

(₹ in Million)

Particulars	For the Year ended 31 March, 2016	For the Year ended 31 March, 2015
Interest expense on		
-Debtentures	50.89	51.85
-Term loans	2,178.27	2,755.17
-Working capital demand loan and cash credit facilities	1,192.19	1,697.47
-Others	408.84	535.51
Bank and other finance charges	77.49	164.53
Total	3,907.68	5,204.53

28: Other expenses

(₹ in Million)

Particulars	For the Year ended 31 March, 2016	For the Year ended 31 March, 2015
Rent	11.57	8.87
Insurance	35.25	31.59
Rates and taxes	117.58	214.93
Legal and professional consultancy	46.34	115.98
Directors' sitting fees	0.06	-
Auditors' remuneration (excluding service tax)		
-Audit fees	5.00	5.52
-Tax audit fees	0.20	0.20
-Certification fees	0.06	0.77
-Out of pocket expenses	-	0.58
Net loss on foreign currency transactions and translation	1.20	19.45
Other receivables written off	-	205.69
Loss on sale of fixed assets	0.06	0.44
Miscellaneous expenses	145.64	113.18
Total	362.97	717.20

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, 2016	As at / For the year ended 31 March, 2015
Contract revenue recognised as income during the year (net of indirect taxes)	10,417.36	13,491.12
Aggregate of costs incurred and recognised profits (less recognised losses) up to the reporting date	61,022.43	89,460.88
Advances received for contracts in progress	3,175.03	2,677.53
Retention money for contracts in progress	2,120.09	2,374.39
Gross amount due from customers for contract work	10,714.79	9,636.71

30: Contingent liabilities

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
a) Counter guarantees given to banks [includes guarantees given on behalf of Joint Ventures ₹ 2,458.83 million (31 March, 2015: ₹ 2,722.34 million)]	10,118.81	11,208.33
b) Corporate guarantees given to banks for financial assistance extended to 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 5.2]	45.26	45.26
Interest to lenders [Refer note 5.6]	1,198.26	-
Lease rentals	107.27	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	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	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	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	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	Amount not ascertainable

COASTAL PROJECTS LIMITED
Notes forming part of the Financial Statements

31: Capital and other commitments

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Capital commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advances of ₹ 1,631.87 million (31 March, 2015: ₹ 769.36 million)]	-	49.42
Other commitments		
a) Commitment towards investment in companies [Net of advances of ₹ 32.01 million (31 March 2015: ₹ 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)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Capital goods	#REF!	-
Construction materials	84.74	31.30
Total	#REF!	31.30

33: Expenditure in foreign currency (on accrual basis)

(₹ in Million)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Travelling expenses	-	1.18
Professional and consultancy charges	-	4.32
Total	-	5.50

34. Earnings per share

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
(a) Basic & Diluted		
Loss after tax (₹ in Million)	-	(3,910.36)
Weighted average number of equity shares outstanding (Nos.)	#REF!	1,91,63,468
Earnings per share - Basic (₹)	#REF!	(204.05)
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 ₹ 25.40 million (2014-15: ₹ 25.60 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, 2016 is ₹ 16.54 million (31 March, 2015: ₹ 16.59 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, 2016	For the year ended / As at 31 March, 2015
Component of employer's expense		
Current service cost	4.53	4.64
Interest cost	2.28	1.91
Expected return on plan assets	(0.93)	(1.15)
Net actuarial gain/(loss) recognised in the year	(5.94)	1.93
Expenses recognised in the statement of profit and loss	(0.06)	7.33
Net Liability recognised in the balance sheet		
Present value of defined benefit obligation	27.55	28.49
Fair value of plan assets	(11.01)	(11.90)
Liability recognised in the balance sheet	16.54	16.59
Change in defined benefit obligation during the year		
Opening defined benefit obligation	28.49	23.85
Current service cost	4.53	4.64
Interest cost	2.28	1.91
Actuarial gain	-5.94	1.93
Benefits paid	(1.81)	(3.82)
Closing defined benefit obligation	27.55	28.49
Changes in fair value of plan assets		
Opening fair value of plan assets	11.90	14.57
Expected return	0.93	1.15
Contributions	-	-
Benefits paid	(1.81)	(3.82)
Closing fair value of plan assets	11.01	11.90
Actuarial assumptions		
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.35%	9.00%
Salary escalation rate	10.00%	10.00%
Attrition rate	15.00%	15.00%
Mortality table	LIC(2006-08)	LIC(2006-08)
Movement in the net liability recognised in the balance sheet		
Opening net liability	16.59	9.26
Expenses recognised in the statement of profit and loss	-0.06	7.33
Provision for minimum wage employees - actuals*	-	-
Closing net liability	16.54	16.59
Long-term	13.83	13.88
Short-term	2.71	2.71

* 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,				
Particulars	2016	2015	2014	2013	2012
Present value of defined benefit obligation	27.55	28.49	23.84	31.47	38.81
Fair value of plan assets	11.01	11.90	14.57	18.18	17.42
Status [deficit]	(16.54)	(16.59)	(9.27)	(13.29)	(21.39)

(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)

	As at 31 March, 2016		As at 31 March, 2015	
Category of assets				
Insurer managed funds- Life Insurance Corporation of India	11.01	100%	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.

(x) Actuarial assumptions for compensated absences :

	As at 31 March, 2016	As at 31 March, 2015
Discount rate	8.00%	8.00%
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 Mr. Sharad Kumar -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 Private 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, 2016	For the Year Ended 31 March, 2015
Contract revenue			
Jal Power Corporation Limited	Subsidiary	-	64.13
AKR – Coastal	Joint Venture	120.67	-
Aban – Coastal	Joint Venture	-	-
GYT - Coastal	Joint Venture	748.99	817.78
HCC- Coastal	Joint Venture	918.54	1,079.07
Coastal – TTS	Joint Venture	1,607.01	814.87
CPPL – Chongqing	Joint Venture	55.46	320.04
Essar- DEC- CPPL	Joint Venture	-	6.28
Interest income			
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	23.12	22.03
Interest free unsecured loan			
Mr. S. Surendra	Key Management Personnel	49.90	87.37
Allotment of Equity Shares			
Mr. S. Surendra	Key Management Personnel	1,312.41	-
Allotment of CCP shares including premium			
Mr. S. Surendra	Key Management Personnel	-	1,312.41
Advances received			
Jal Power Corporation Limited	Subsidiary	0.07	527.67
Loans and advance given			
Grandeur Power Projects Private Limited	Subsidiary	0.16	-
Nuziveedu - Swathi – Coastal	Joint Venture	1.04	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
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	14.07	-
Loans and Advance Recovered / Adjusted			
Jal Power Corporation Limited	Subsidiary	22.21	624.72
Nuziveedu - Swathi – Coastal	Joint Venture	145.56	13.12
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	-	13.26
Siddhi Vinayak Power Generation & Distributors	Companies in which significant influence is exercised	-	3.41
Mobilisation advance received			
HCC - Coastal	Joint Venture	25.75	0.62
Material advance received			
GYT - Coastal	Joint Venture	229.97	447.63
Material advance Adjusted			
GYT - Coastal	Joint Venture	481.26	239.78
Mobilisation advance repaid / Adjusted			
Coastal – TTS	Joint Venture	203.70	53.83
HCC - Coastal	Joint Venture	-	34.71
GYT - Coastal	Joint Venture	100.37	101.38

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, 2016	As at 31 March, 2015
Trade receivables			
AKR – Coastal	Joint Venture	127.63	45.23
Aban – Coastal	Joint Venture	-	48.48
Coastal - Patel - Jyothi – CBE	Joint Venture	196.34	196.34
HCC – Coastal	Joint Venture	783.37	617.38
GYT-Coastal	Joint Venture	128.80	179.54
CPL-TTS	Joint Venture	1.55	117.42
Essar - DEC – CPPL	Joint Venture	1.73	4.92
Investment in Equity shares			
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	843.41	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
Nepal Jalabidyut Pravardan Tatha Bikas Limited	Associate	170.00	170.00
Advance towards Share application money			
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	855.13	266.67
Interest receivable			
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	84.87	61.75
Loans /Advances receivable			
Grandeur Power Projects Private Limited	Subsidiary	0.16	-
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	198.07	184.01
CPPL – Chongqing	Joint Venture	258.21	258.21
S. Surendra	Key Management Personnel	2.75	2.75
G. Hari Hara Rao	Key Management Personnel	8.95	8.95
N. Sridhar	Key Management Personnel	3.50	3.50
Nuziveedu - Swathi – Coastal	Joint Venture	547.00	691.52
Advances payable			
Jal power corporation	Subsidiary	362.82	384.96
Mobilisation advance payable			
Jal Power Corporation Limited	Subsidiary	222.91	222.91
Coastal – TTS	Joint Venture	-	203.70
GYT - Coastal	Joint Venture	-	100.37
HCC - CPL	Joint Venture	99.63	73.88
Coastal – Patel – Jyothi - CBE	Joint Venture	410.53	410.53
CPPL – Chongqing	Joint Venture	67.25	67.25
Material advance payable			
GYT - Coastal	Joint Venture	-	251.29
Machinery advance payable			
Jal Power Corporation Limited	Subsidiary	228.35	228.35
GYT - Coastal	Joint Venture	-	106.60
Other Receivable			
Coastal Transnational Ventures (CY) Limited (Refer note 39)	Subsidiary	-	1,029.90
Corporate guarantee			
Nuziveedu - Swathi – Coastal	Joint Venture	300.00	300.00
Counter guarantee			
HCC – Coastal	Joint Venture	1,689.44	1,952.95
Essar- DEC- CPPL	Joint Venture	45.76	45.76
Coastal - Patel - Jyothi – CBE	Joint Venture	545.95	545.95
CPPL – Chongqing	Joint Venture	95.50	95.50
AKR – Coastal	Joint Venture	82.18	82.18

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 ₹ 6,760.10 million (31 March, 2015: ₹ 5,468.81 Million), [Trade receivables included in Note 18 ₹ 382.01 million (31 March, 2015: ₹ 382.01 Million), Contracts in progress included in Note 17 ₹ 1,059.72 million (31 March, 2015: ₹ 1,339.35 million), Unbilled Revenue included in Note 21 ₹ 2,999.89 million (31 March, 2015: ₹ 2,617.29 million), invoked bank guarantees (net of advances received) included in Note 16 ₹ 2,133.46 million (31 March, 2015: ₹ 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 ₹ 843.41 million (31 March, 2015: ₹ 401.97 million) in Coastal Transnational Ventures (CY) Limited, Cyprus ("CTVL") a wholly owned subsidiary and has advanced share application money aggregating to ₹ Nil million (31 March, 2015: ₹ 266.67 million) as at 31 March, 2016. 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, 2016. The Company had acquired TBMs from SELI in the prior years and avails its services, for the maintenance of such TBMs. EXIM Bank had invoked the corporate guarantee and recovered ₹ 1,029.90 million from the Company.
- Based on the unaudited financial statements, CTVL has incurred loss of ₹ 0.79 million for the previous year ended 31 March, 2016 and its accumulated loss of ₹ 252.21 million as at 31 March, 2016 and the net worth is ₹ 1,703.67 million and no provision for diminution in the value of investment of ₹ 843.41 million and share application money in the subsidiary of ₹ 855.13 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. Considering the long term business interests, CTVL started discussion with SELI and Tolian. In the view of the management, 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, 2016.
- 40:** Advance to suppliers, sub-contractors and others include an amount of ₹ 87.08 million (31 March, 2015: ₹ 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.
- 41:** 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.
- 42:** The Company has business loss of ₹ 3,001.95 million (31 March, 2015: ₹ 3,741.48 million), including unabsorbed depreciation of ₹ 1,237.38 million (31 March, 2015: ₹ 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 ₹ 1,568.79 million (31 March, 2015: ₹ 1,294.85 million) besides deferred tax asset on other timing differences.
- During the previous years, 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. Further, based on RBI circular providing for conversion of debt into equity under the Strategic Debt Restructuring Scheme, lenders on 25 July, 2015 invoked SDR and converted debt of ₹ 1,805.13 million into equity shares at par value of ₹ 10 each. 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 SDR 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, 2016		As at 31 March, 2015	
	Foreign Currency in Million	₹ in Million	Foreign Currency in Million	₹ in Million
Buyers Credit	-	-	-	-
	-	-	-	-

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, 2016	As at 31 March, 2015
Future minimum lease		
Not later than one year	86.94	531.77
Later than one year and not later than five years	-	376.61
Later than five years	-	-
Total	86.94	908.38
Lease payments recognised in the Statement of profit and loss for the year	497.66	690.51

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

In terms of our report attached

For and on behalf of the Board of Directors

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

N. Sridhar
Director Finance

G.Hari Hara Rao
Managing Director

Manas Kumar Mania
Partner
(Membership No 300113)

N.Varalakshmi
Company Secretary

Date : 05 October, 2016
Place: Bhubaneswar

Date : 05 October, 2016
Place: Hyderabad

INDEPENDENT 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 referred to as (“the Group”) comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, and Consolidated Cash flow statements 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 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 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 44 to the consolidated financial statements, the deferred tax asset of ₹ 2,082.56 million has been recognized in the books of Coastal Projects Limited. 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 recognized, loss after tax for the period would have been higher by ₹ 366.39million, and the balances in Reserves and Surplus, and Deferred Tax Assets as at 31 March, 2016 would have been lower by ₹ 2,082.56 million*
- b) Coastal Transnational Ventures (CY) Limited (a wholly owned subsidiary of the Holding Company) made an investment of ₹ 1,457.60 million as at 31 March 2016 in S.E.L.I. Societa Esecuzione Lavori Idraulici s.p.a., the recoverability of the same is doubtful.*

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, 2016, consolidated loss, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

1. 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.
2. We draw your attention with respect to Jal Power Corporation Limited's Capital –Work-in-Progress delay in commencement of Operations, original commencement of the project was 30th June 2013, which is rescheduled till 30th June 2016 due to geological & capital infusion delays (as on date the company is in the process of reschedule of commencement of project, which is

inter related to capital infusion). The company has approached the Sikkim state Government for further capital infusion with the approvals of the financial institutions (Power Finance Corporation & Punjab National bank). The Company's request with the Government of Sikkim for increase their equity participation from 26% to 51% is pending approval. The last communication received on 26.03.2015, there is no further communication received as on the date of audit. During the year no further Capital –Work-in-Progress was incurred.

Our Opinion is not qualified in respect of these matters

Other Matters

We did not audit the financial statements of eight subsidiaries(two foreign subsidiaries), whose financial statements reflect total assets of ₹ 13,678.00 million as at 31 March, 2016, total revenues of ₹ 447.40 million for the year ended on that date, as considered in the consolidated financial statements. 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, 2016 ("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 B" 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, Except the matter described in the basis for Qualified Opinion paragraph 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, 2016 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, 2016 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.

(g) With respect to the internal financial controls over financial reporting of the Holding and subsidiary companies and the operating effectiveness of such controls refer to in ANNEXURE A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of these company's internal financial controls over financial reporting.

For U. K. Mahapatra & Co.

Chartered Accountants

(Registration No. 320039E)

Manas Kumar Mania

Partner

(Membership No. 300113)

Place: Bhubaneswar

Date: 02 December, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Management Responsibility for Internal Financial Controls

The Holding company Board of Directors is responsible for establishing and maintains internal financial controls based on the internal financial control over financial reporting criteria established by the company considering the essential components of the internal controls stated in Guidance note of audit of internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operated effectively for ensuring the orderly and efficient conduct of business, including adherence to company’s policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors Responsibility

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our audit. We conduct the audit in accordance with the Guidance note on Internal Financial Controls over Financial Reporting(The Guidance note) issued by the Institute of Chartered Accountants of India and Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to the audit of internal Financial controls. Those Standards and Guidance Note require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls system over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depending on auditor judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Meaning of Internal Financial Control over Financial Reporting

A company’s internal financial control over financial reporting is process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company; (2) provide reasonable assurance transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with the authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls over Financial Reporting

Because of inherent limitations of internal financial controls over financial reporting, include the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projection of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions or that degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st march 2016, based on internal financial control over financial reporting criteria established by the Holding and subsidiary company's considering essential components of internal controls stated in guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For U. K. Mahapatra & Co.

Chartered Accountants

(Registration No. 320039E)

Manas Kumar Mania

Partner

(Membership No: 300113)

Place: Bhubaneswar

Date: 02 December, 2016

“ANNEXURE B” 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.
 - (c) 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.

- (d) 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 there under are applicable, during the year.
- (e) 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.
- (f) 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, 2016 for a period of more than six months from the date they became payable *except the following*.

In respect of Coastal Projects Limited: (Holding Company)

(₹ 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	55.19	2012 – 13	Various
		56.99	2013 – 14	Various
		30.92	2014 -15	Various
		22.13	2015 -16	Various

Name of Statute	Nature of Dues	Amount Involved	Period to which the Amount Relates	Due Date
Wealth Tax Act 1957	Wealth Tax	0.38	2012-13	Various
The Finance Act, 1994	Service Tax	102.82	2014-15& 2015-16	Various
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	14.60	2014-15& 2015-16	Various
	Interest on Provident Fund	3.33	2014-15& 2015-16	Various
Tax on Professions, Trades, Callings and Employment Act	Professional Tax	1.41	2014-15& 2015-16	Various

In respect of Jal Power Corporation Limited:

(a subsidiary of the Holding company incorporated in India)

(₹ in Million)

S No	Statutory Liability	Amount
1	Environment Cess	3.42
2	Tax Deducted at Source	3.72
3	Works Contract Tax	6.94
4	Labour Welfare Cess	0.23
5	Provident Fund	0.37
6	Professional Tax	0.15
7	Royalty	3.44
Total		18.27

- (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, 2016 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 there under.
- (g) 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.
- (h) 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 *except as stated below*:

In respect of Coastal Projects Limited: (Holding Company)

(₹ in Million)

Particulars	Principal	Interest	Period of delay (in days)
Financial Institutions – Loans	25.00	-	1 to 180 days
	12.50	-	181 to 365 days
Banks – Loans	1,178.49	954.57	1 to 180 days
	968.76	585.03	181 to 365 days

In respect of Jal Power Corporation Limited:

(a subsidiary of the Holding company incorporated in India)

(₹ in Million)

Particulars	Delay up to 30 days	Delay 31-90 days	More than 90 days
Interest Liability	92.28	134.64	880.98

- (i) 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.
- (j) 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.
- (k) 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.

For U. K. Mahapatra & Co.

Chartered Accountants

(Registration No. 320039E)

Manas Kumar Mania

Partner

(Membership No: 300113)

Place: Bhubaneswar

Date: 02 December, 2016

COASTAL PROJECTS LIMITED
Consolidated Balance Sheet as at 31st March, 2016

(₹ in Million)

Particulars	Note No.	As at 31 March, 2016		As at 31 March, 2015	
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	3	3,309.36		1,522.52	
(b) Reserves and surplus	4A	(1,297.19)	2,012.15	1,385.05	2,907.57
(2) Minority Interest			916.60		916.67
(3) Non-current liabilities					
(a) Long-term borrowings	5	31,761.87		31,622.83	
(b) Other long-term liabilities	6	790.18		445.80	
(c) Long-term provisions	7	23.46	32,575.51	24.02	32,092.64
(4) Current liabilities					
(a) Short-term borrowings	8	17,122.41		16,356.55	
(b) Trade payables	9	-		-	
(i) Due to micro and small enterprises					
(ii) Others		2,604.67		2,590.46	
(c) Other current liabilities	10	8,940.21		6,491.06	
(d) Short-term provisions	11	12.70	28,679.99	90.29	25,528.36
TOTAL			64,184.25		61,445.25
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets		5,660.63		7,119.28	
(ii) Intangible assets	12	0.93		0.93	
(iii) Capital work-in-progress		8,459.71	14,121.27	7,739.35	14,859.57
(b) Goodwill on consolidation			85.12		85.12
(c) Non-current investments	13	1,692.50		1,545.28	
(d) Deferred tax assets(Net)	14	2,187.59		1,739.87	
(e) Long-term loans and advances	15	2,383.88		3,082.61	
(f) Other non-current assets	16	4,903.85	11,167.82	3,172.51	9,540.27
(2) Current assets					
(a) Inventories	17	13,450.73		11,291.85	
(b) Trade receivables	18	12,425.65		11,386.92	
(c) Cash and cash equivalents	19	700.25		786.41	
(d) Short-term loans and advances	20	3,438.41		4,469.86	
(e) Other current assets	21	8,795.00	38,810.04	9,025.26	36,960.29
TOTAL			64,184.25		61,445.25
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)

For and on behalf of the Board of Directors

Manas Kumar Mania
Partner
(Membership No: 300113)

N. Sridhar
Director Finance

G.Hari Hara Rao
Managing Director

N.Varalakshmi
Company Secretary

Date: 02 December, 2016
Place: Bhubaneswar

Date : 02 December, 2016
Place: Hyderabad

COASTAL PROJECTS LIMITED**Consolidated Statement of Profit and Loss for the year ended 31 March, 2016****(₹ in Million)**

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
I. Revenue			
(a) Revenue from construction contracts (net)		10,417.36	13,426.99
(a) Revenue from Operations		398.07	420.29
(b) Other income	22	175.37	230.68
Total Revenue		10,990.80	14,077.97
II. EXPENSES :			
(a) On construction contracts:			
(i) Cost of materials consumed	23	3,880.01	3,985.38
(ii) Change in inventories of work-in-progress	24	(2,429.19)	(2,067.57)
(iii) Construction expenses	25	5,649.71	7,026.29
(b) Employee benefits expense	26	949.58	1,054.78
(c) Finance costs	27	5,013.56	6,238.57
(d) Depreciation and amortisation expenses	12	1,747.68	2,478.72
(e) Other expenses	28	427.19	759.55
Total expenses		15,238.54	19,475.71
Less: Directly attributable expenditure transferred to Capital work-in-progress		(925.27)	(930.41)
III. Loss before tax (I-II)		(3,322.47)	(4,467.34)
IV. Tax expense /(Benefit):			
Current Tax			
Short / (Excess) provision for tax relating to prior years		(26.88)	10.86
Deferred tax		(447.74)	(519.53)
Net tax benefit		(474.62)	(508.67)
IVA. Minority Interest		(0.07)	(0.06)
IVB. Share of Loses from Associate		-	(0.02)
V. Loss for the year (III-IV-IVA+IVB)		(2,847.76)	(3,958.63)
VI. Earnings per share - (Face value of ₹ 10 each)			
Basic & Diluted	33	(23.03)	(206.57)
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)

For and on behalf of the Board of Directors

Manas Kumar Mania

Partner

(Membership No: 300113)

N. Sridhar

Director Finance

G.Hari Hara Rao

Managing Director

N.Varalakshmi

Company Secretary

Date : 02 December, 2016

Place: Bhubaneswar

Date : 02 December, 2016

Place: Hyderabad

COASTAL PROJECTS LIMITED**Consolidated Cash Flow Statement for the year ended 31 March, 2016****(₹ in Million)**

	For the year ended 31 March, 2016
A. Cash flow from operating activities:	
Loss before tax	(3,322.47)
Adjustment for:	
Depreciation and amortisation expense	1,747.68
Interest income	(101.13)
Finance costs	5,013.56
Profit on sale of fixed assets	(0.53)
Loss on sale of fixed assets	0.06
Operating profit before working capital changes	3,337.17
Changes in working capital :	
Adjustments for (increase) / decrease in operating assets:	
Inventories	(2,158.88)
Trade receivables	(1,038.73)
Short-term loans and advances	1,031.45
Long term loans and advances	531.65
Other current assets	230.25
Other non-current assets	(1,731.34)
Adjustments for (increase) / decrease in operating liabilities:	
Trade payable	14.21
Other current liabilities	(34.61)
Other long-term liabilities	344.39
Short-term provisions	(50.70)
Long-term provisions	(0.56)
Cash used in operating activities	474.30
Income Tax Paid	-
Net cash used in operating activities (A)	474.30
B. Cash flow from investing activities:	
Capital expenditure on fixed assets, including capital advances	(855.28)
Proceeds from sale of fixed assets	4.95
Bank balances not considered as cash and cash equivalents	274.32
Interest received	101.13
Net cash used in investing activities (B)	(474.88)
C. Cash flow from financing activities:	
Proceeds from share application money	-
Proceeds from long-term borrowings (net of repayments /adjustments)	3,580.26
Proceeds from promoters contribution during the year	18.30
Proceeds from short-term borrowings (net of repayments/adjustments)	765.86
Repayment of working capital borrowings	-
Repayment of short term unsecured borrowings	-
Finance costs (net of adjustments) [Refer note 2(c) below]	(4,175.68)
Net cash generated from financing activities (C)	188.74
D. Net Increase / (decrease) in cash and cash equivalents (A+B+C)	188.16
E. Cash and cash equivalents	
at the beginning of the year	409.23
at the end of the year (Refer note 19)	597.39

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:

a) Interest dues of ₹ 3,384.29 million (2015: ₹ 4,138.58 million) has been converted as Funded Interest Term Loan (FITL) as per the Corporate Debt Restructuring (CDR) Scheme.

b) During the year, based on RBI circular, majority of the lenders have converted debt of ₹ 1,805.13 million into Equity Shares. Further pursuant to the consent of Board of directors ₹ 1,330.89 million of Compulsorily convertible preference shares have been converted in to Equity shares.

c) During the previous year, promoters contribution aggregating ₹ 1,312.41 million has been converted in to Compulsorily convertible preference shares.

In terms of our report attached

For U.K. Mahapatra & Co.

Chartered Accountants

(Registration No:320039E)

For and on behalf of the Board of Directors

Manas Kumar Mania

Partner

(Membership No: 300113)

N. Sridhar

Director Finance

G.Hari Hara Rao

Managing Director

N.Varalakshmi

Company Secretary

Date : 02 December, 2016

Place: Bhubaneswar

Date : 02 December, 2016

Place: Hyderabad

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

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of Shares	Amount	Number of Shares	Amount
Authorised:				
Equity shares of ₹ 10 each [Refer note (a) below]	600,000,000	6,000.00	60,00,00,000	6,000.00
	60,00,00,000	6,000.00	60,00,00,000	6,000.00
Compulsorily convertible preference shares of ₹ 10 each [Refer note (a) below]	150,000,000	1,500.00	150,000,000	1,500.00
	150,000,000	1,500.00	150,000,000	1,500.00
Issued, Subscribed and fully paid:				
Equity shares of ₹ 10 each	330,935,600	3,309.36	19,163,468	191.63
Compulsorily convertible preference shares of ₹ 10 each [Refer note (b) below]	-	-	133,089,346	1,330.89
Total	330,935,600	3,309.36	152,252,814	1,522.52

Notes:

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

b)) During the year, pursuant to the approval of the shareholders' of the company in the Extra-ordinary general meeting, held on 16 March, 2015, the company has issued fully paid compulsorily convertible preference shares of 131,241,104 having face value of ₹ 10 each to Mr. S.Surendra, promoter. The company is in the process of filing requisite forms with the registrar of companies and obtaining lenders approvals as per CDR package.

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, 2016		Year ended 31 March, 2015	
	Number of Shares	Amount (in Millions)	Number of Shares	Amount (in Millions)
Equity shares				
Opening balance	1,91,63,468	191.63	19,163,468	191.63
Add: Issued during the year	31,17,72,132	3,117.72	-	-
Conversion of CCPS	131,258,970	1,312.59	-	-
Conversion of Debt	180,513,162	1,805.13	-	-
Closing balance	33,09,35,600	3,309.36	1,91,63,468	191.63
Compulsorily convertible preference shares (CCPS)				
Opening balance	18,48,242	18.48	1,848,242	18.48
Add: Issued during the year	131,241,104	1,312.41	-	-
Less: Converted into Equity Shares	133,089,346	1,330.89	-	-
Closing balance	-	-	18,48,242.00	18.48

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 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 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..

COASTAL PROJECTS LIMITED**Notes to consolidated financial statements (continued)****e) Details of shares held by each shareholder holding more than 5% shares:**

Name of the shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
i) Equity shares				
Tunnel Holding 1 Limited	3,90,13,029	11.79%	22,22,026	11.60%
Mr. S. Surendra	3,40,63,305	10.29%	4,248,687	22.17%
Fidelity India Ventures	3,02,35,097	9.14%	16,80,652	8.77%
Sequoia Capital India Growth Investment Holdings 1, Mauritius	28,227,762	8.53%	1,084,523	5.66%
State Bank of India	25,857,505	7.81%	-	-
ICICI Bank	24,835,760	7.50%	-	-
Punjab National Bank	22,085,152	6.67%	-	-
Axis Bank	19,000,617	5.74%	-	-

4A: Reserves and surplus**(₹ in Million)**

Particulars	As at 31 March, 2016	As at 31 March, 2015
a) Securities premium account		
Opening balance	3,527.48	3,527.48
Add: Premium on equity shares issued (Refer note below)	18.30	-
Closing balance	3,545.78	3,527.48
b) (Deficit) / Surplus in statement of profit and loss		
Opening balance	(1,979.88)	2,003.71
Add: Depreciation on transition to schedule II of Companies Act, (Net of Deferred Tax)	-	(24.97)
Add: Loss for the year	(2,847.76)	(3,958.63)
Closing balance	(4,827.64)	(1,979.88)
c) Foreign Currency Translation Reserve on consolidation of subsidiary		
Opening balance	(162.54)	128.80
Add/(Less): Change during the year	147.21	(291.34)
Closing balance	(15.33)	(162.54)
Total	(1,297.19)	1,385.05

Note:

Pursuant to the Board of Directors of the Company in the meeting held on 28th October, 2015, The company has issued 17,866 Equity shares at a price of ₹ 1,034.50 per share (face value of ₹ 10 per share at a premium of ₹ 1,024.50 per share) to Blue Bird Pharma Holding LLC based on Independent valuation.

4B: Promoter's Contribution**(₹ in Million)**

Particulars	As at 31 March, 2016	As at 31 March, 2015
Opening balance	-	1,312.41
Add: Contribution received	-	-
Less: Issue of Preference Shares [Note 3(a)(ii)]	-	1,312.41
Total	-	-

5: Long-term borrowings

(₹ in Million)

Particulars	As at 31 March, 2016 Non- current	As at 31 March, 2016 Current	As at 31 March, 2015 Non- current	As at 31 March, 2015 Current
a) Debentures				
Secured				
14.38% Compulsory convertible debentures (Refer note 5.1)	-	330.00	-	330.00
12% Optionally Cumulative convertible debentures (Refer note 5.2)	899.55	-	899.55	-
b) Term loans (Refer notes -5.3 - 5.9)				
Secured				
From banks	19,670.66	2,204.99	18,921.15	938.54
From others	9,777.40	783.15	9,095.68	307.18
c) Equipment loans (Refer notes -5.3 - 5.9)				
Secured				
From banks	215.63	67.91	542.66	13.98
From others	1,198.63	531.88	2,163.79	636.36
d) Other loans (Refer notes -5.3 - 5.9)				
Interest free unsecured loan	-	49.90	-	87.37
Total	31,761.87	3,967.83	31,622.83	2,313.43

* 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

Pending settlement of the dispute, the Company has made a provision towards interest accrued and due of ₹ 380.35 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 : Inrespect of Ujwala Power Private Ltd

899,55,000 (Previous Year: 899,55,000) 12% Optionally Cumulative Convertible Debentures of ₹ 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.

[@] Equity Shares to be allotted under SDR Scheme.

(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 ₹ 1,742.86 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 ₹ 4,597.58 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 ₹ 2,333.23 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 ₹ 3,384.29 million (31 March, 2015: ₹ 4,138.58 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 11.55% p.a)] carries rate of interest at 1.25% above SBI base rate (effective 10.55% 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:****5.6 (a). All Term Loans(TL/Equipment Loans/FITL/BCTL/WCTL) are secured / to be secured by:**

S.No	Particulars
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.

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

S.No	Particulars
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 41,436,760 (31 March, 2015: 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 (c1). 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 of ₹ 626.84 million 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 (c2). Security terms for Term Loans from Financial Institutions availed by Ujwala Power Private Limited (UPPL)

Term loans from financial institutions includes Rupee term loans of ₹ 757.79 million, 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 forty three quarterly installments starting from 30th June 2015 as per the schedule of repayment agreed with the financial institution.

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 31 March		Outstanding balance As at 31 March		Number of Outstanding installments As at 31 March		Quarterly installments (Beginning - Ending)
		2016	2015	2016	2015	2016	2015	
1	Axis Bank Limited	7	5	2,333.85	2,281.08	21 to 31	21 to 31	April, 2015 to March, 2023
2	ICICI Bank Limited	9	9	3,624.41	3,486.55	21 to 31	21 to 31	April, 2015 to March, 2023
3	Kotak Mahindra Bank Limited	1	1	281.70	281.70	31	31	July, 2015 to March, 2023
4	South Indian Bank Limited	4	4	964.11	949.03	21 to 31	21 to 31	April, 2015 to March, 2023
5	The Karur Vysya Bank Limited	3	3	302.17	299.60	21 to 31	21 to 31	April, 2015 to March, 2023
6	Central Bank of India	3	3	725.01	652.21	21 to 31	21 to 31	April, 2015 to March, 2023
7	Andhra Bank	4	4	293.75	271.75	21 to 31	21 to 31	April, 2015 to March, 2023
8	Bank of Maharashtra	3	3	922.37	834.09	21 to 31	21 to 31	April, 2015 to March, 2023
9	Bank of Baroda	3	3	151.09	150.26	21 to 31	21 to 31	April, 2015 to March, 2023
10	Canara Bank	3	3	279.66	265.73	21 to 31	21 to 31	April, 2015 to March, 2023
11	Corporation Bank	6	3	113.83	116.19	21 to 31	21 to 31	April, 2015 to March, 2023
12	Dhanalakshmi Bank		1	-	0.92	31	31	July, 2015 to March, 2023
14	ING Vysya Bank Limited	4	4	45.67	42.26	21 to 31	21 to 31	April, 2015 to March, 2023
15	Oriental Bank of Commerce	4	3	972.13	962.91	21 to 31	21 to 31	April, 2015 to March, 2023
16	Punjab National Bank	7	4	1,854.97	2,041.33	21 to 31	21 to 31	April, 2015 to March, 2023
17	Standard Chartered Bank		-	-	-	-	31	April, 2015 to March, 2023
18	State Bank of Hyderabad	3	5	413.77	559.95	21 to 31	21 to 31	April, 2015 to March, 2023
19	State Bank of India	4	4	1,137.56	1,352.83	21 to 31	21 to 31	April, 2015 to March, 2023
20	State Bank of Mauritius	2	3	46.51	49.24	21 to 31	21 to 31	April, 2015 to March, 2023
21	State Bank of Travancore	4	4	844.82	928.70	21 to 31	21 to 31	April, 2015 to March, 2023
22	IDBI Bank Limited	8	8	1,209.02	1,163.52	21 to 31	21 to 31	April, 2015 to March, 2023
23	State Bank of Bikaner & Jaipur	4	4	42.71	49.87	21 to 31	21 to 31	April, 2015 to March, 2023
24	Indus Ind Bank Limited	2	1	560.73	524.97	31	-	July, 2015 to March, 2023

In respect of JALPOWER CORPORATION LIMITED as a subsidiary of Coastal Projects

25	Punjab National Bank	1	1	2,405.37	1,934.30	60	60	Jan, 2014 to Dec, 2029
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In respect of UJJAWALA POWER PRIVATE LIMITED as a subsidiary of Coastal

26	Foreign Currency Term Loans	1		352.78		50		Sept, 2013 to March, 2026
27	Rupee Term Loans	1		309.41		50		Sept, 2013 to March, 2026
	Total *			20,187.39				

* Includes current portion of ₹ 2,001.71 million (31 March, 2015: ₹ 920.35)

5.7 (b) From Others - secured
(₹ in Million)

S No	Particulars	Number of outstanding Loans As at 31 March		Outstanding balance As at 31 March		Number of Outstanding installments As at 31 March		Quarterly installments (Beginning - Ending)
		2016	2015	2016	2015	2016	2015	
1	Aditya Birla Finance Limited	2	2	1,201.57	617.28	31	31	July, 2015 to March, 2023
2	Export Import Bank of India	5	5	7,338.74	1,430.46	21 to 31	21 to 31	April, 2015 to March, 2023
3	L&T Infrastructure Finance Limited	8	7	3,061.50	1,673.24	21 to 31	21 to 31	April, 2015 to March, 2023
4	Siemens Financial Services Private Limited	1	1	274.74	126.16	31	31	July, 2015 to March, 2023
5	Tata Capital Financial Services Limited	3	3	425.45	905.24	21 to 31	31	July, 2015 to March, 2023
6	IFCI Limited	2	2	2,330.58	891.44	21 to 31	21 to 31	April, 2015 to March, 2023
7	Srei Equipment Finance Ltd	3	2	66.04	393.54	21	21	April, 2015 to September, 2020

In respect of JALPOWER CORPORATION LIMITED as a subsidiary of Coastal Projects

8	Power Finance Corporation Ltd	1	1	3,859.55	3,365.50	60	60	January 2014 to Dec 2029
	Total *			18,558.16				

* Includes current portion of ₹ 623.34 million (31 March, 2015: ₹ 307.18)

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 31 March		Outstanding balance As at 31 March		Number of Outstanding installments As at 31 March		Quarterly installments (Beginning - Ending)
		2016	2015	2016	2015	2016	2015	
1	Axis Bank Limited	1	1	51.48	47.73	31	31	July, 2015 to March, 2023
2	Bank of Bahrain and Kuwait	1	1	43.95	54.01	31	31	July, 2015 to March, 2023
3	Central Bank of India	1	1	60.83	56.30	31	31	July, 2015 to March, 2023
4	Dhanalakshmi Bank Limited	-	1	-	3.80	31	31	July, 2015 to March, 2023
5	ICICI Bank Limited	1	1	127.27	117.79	31	31	July, 2015 to March, 2023
6	Punjab National Bank	0	0	-	-	1 to 60		60 Quarterly EMIs
	Total *			283.53				

* Includes current portion of ₹ 67.91 million (31 March, 2015: ₹ 13.98 million)

5.8 (b) From Others:
(₹ in Million)

S No	Particulars	Number of outstanding Loans As at 31 March		Outstanding balance As at 31 March		Number of Outstanding installments As at 31 March		Quarterly installments (Beginning - Ending)
		2016	2015	2016	2015	2016	2015	
1	Bajaj Auto Finance Limited	1	1	7.50	40.90	31	31	July, 2015 to March, 2023
2	India bulls Financial Services Limited	1	1	19.92	29.86	31	31	July, 2015 to March, 2023
3	Kotak Mahindra Prime Limited	1	1	-	3.49	31	31	July, 2015 to March, 2023
4	Magma Fincorp Limited	1	1	-	12.26	31	31	July, 2015 to March, 2023
5	Phoenix ARC Private Limited	1	1	233.25	233.25	31	31	July, 2015 to March, 2023
6	Reliance Capital Limited	1	1	-	39.56	31	31	July, 2015 to March, 2023
7	Shriram Equipment Finance Company Limited	1	1	103.12	100.93	31	31	July, 2015 to March, 2023
8	SREI Equipment Finance Limited	1	1	1,281.59	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	40.73	112.70	31	31	July, 2015 to March, 2023
11	Power Finance Corporation Ltd	0	0	-		1 to 60		60 Quarterly EMIs
	Total *			1,730.50				

* Includes current portion of ₹ 531.88 million (31 March, 2015: ₹ 636.36)

5.9 The Holding Company has defaulted in repayment of loans and interest in respect of the following:
(₹ in Million)

Particulars	Period of Default As at 31 Mar 2016	Amount	Period of Default As at 31 Mar 2015	Amount
Debentures				
Principal	968 Days	330.00	602 Days	330.00
Interest	16 - 929 Days	50.89	16 - 593 Days	153.42
Term Loans				
Interest	183 Days	2,184.76	-	-
	305 Days	1,539.60	1 Day	8.82

Note:

The above excludes, the defaults in repayment of loan and interest as at 31 March 2014, with respect to Non-CDR lenders, pending reschedulement.

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

Particulars	As at 31 March, 2016	As at 31 March, 2015
Retention money payable to sub-contractors	107.39	81.75
Interest accrued but not due	682.79	364.04
Total	790.18	445.80

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

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for employee benefits (Refer Note 34)		
Compensated absences	4.28	4.25
Gratuity	19.18	19.77
Total	23.46	24.02

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

Particulars	As at 31 March, 2016	As at 31 March, 2015
Secured		
From banks (Refer notes below)	16,883.55	15,626.12
Unsecured		
Indian Rupee loan from Other Companies	238.86	730.40
Others	-	0.04
Total	17,122.41	16,356.55

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 2016	Amount (₹ in Million)	Period of Default As at 31 March 2015	Amount (₹ in Million)
From banks				
Interest	1-305 Days	1,192.19	1 Day	6.29

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

Particulars	As at 31 March, 2016	As at 31 March, 2015
Trade payables		
Due to micro and small enterprises (Refer note below)	-	-
Others	2,604.67	2,590.46
Total	2,604.67	2,590.46

Note:

The principal amount remaining unpaid as at 31 March, 2016 in respect of enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006" (MSMEDA) is ₹ Nil (31 March, 2015: ₹ 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, 2016	As at 31 March, 2015
Current maturities of long-term debt (Refer note 5)	3,967.82	2,313.43
Interest accrued but not due on borrowings	1,342.10	716.04
Interest accrued and due on borrowings	380.35	168.53
Book overdraft in bank current accounts	2.81	2.18
Other payables:		
Statutory remittances	362.92	658.49
Retention money payable to sub-contractors	328.00	171.29
Payables on purchase of fixed assets	29.59	38.10
Machinery advance from customers	38.57	98.92
Advance from customers	50.10	87.89
Mobilisation advance from customers (net of adjustments)	2,272.27	1,654.51
Rent Payable	0.03	0.03
Salaries Payable	0.59	1.04
Audit Fees Payable	0.02	0.04
Retention Money Payable to Others	0.69	0.85
Sundry Creditor (More Than Six Month)	0.31	0.31
Promoter Equity	-	0.01
Payable to Others	11.31	12.99
Provision for Accrued Expenses	152.73	566.44
Total	8,940.21	6,491.06

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

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for employee benefits: (Refer note 34)		
Compensated absences	5.42	6.06
Gratuity	3.29	3.36
Other Employee benefits	0.02	0.09
Provision for income tax [Net of Advance Tax ₹ Nil (31 March, 2015: ₹ 44.85)]	-	80.05
Provision for other expenses	3.97	0.73
Total	12.70	90.29

COASTAL PROJECTS LIMITED

Notes to consolidated financial statements (continued)

12: Fixed assets

(₹ in Million)

Particulars	Gross block - at Cost				Depreciation and amortisation				Net Block	Net Block
	As at 31 March, 2015	Additions	Disposals	As at 31 March, 2016	As at 31 March, 2015	For the Year	On Disposals	As at 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
(a) Tangible assets										
Land - freehold	214.03	5.73	-	219.76	-	-	-	-	219.76	214.03
Buildings	139.69	-	-	139.69	53.05	12.28	-	65.33	74.36	86.64
Plant & Machinery	12,999.85	47.31	-	13,047.16	7,004.58	1,263.51	-	8,268.09	4,779.06	5,995.27
Construction Vehicles	1,851.90	2.05	-	1,853.95	1,519.62	112.19	-	1,631.81	222.13	332.28
Transport Vehicles	369.86	3.68	5.91	367.63	296.35	25.98	4.97	317.36	50.27	73.50
Furniture and fixtures	62.11	1.55	0.05	63.62	40.56	6.72	0.03	47.25	16.37	21.55
Office equipment	88.57	1.21	0.08	89.69	74.00	7.58	-	81.59	8.11	14.56
Computers	45.31	0.49	-	45.80	42.35	0.83	-	43.18	2.62	2.96
Temporary Structures	2,208.50	231.48	3.64	2,436.34	1,830.01	318.59	0.21	2,148.39	287.95	378.49
Sub total (a)	17,979.82	293.50	9.68	18,263.64	10,860.52	1,747.68	5.21	12,603.00	5,660.63	7,119.28
(b) Intangible assets										
Software	9.28	-	-	9.28	8.35	0.00	-	8.35	0.93	0.93
Sub total (b)	9.28	-	-	9.28	8.35	0.00	-	8.35	0.93	0.93
(c) Capital Work -in-progress										
Project expenditure allocation	7,739.35	960.75	240.40	8,459.71	-	-	-	-	8,459.71	7,739.35
Sub total (c)	7,739.35	960.75	240.40	8,459.71	-	-	-	-	8,459.71	7,739.35
Total	25,728.45	1,254.25	250.08	26,732.63	10,868.87	1,747.68	5.21	12,611.35	14,121.27	14,859.56

Note:

- 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.
- In the previous year, 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).
- One of the foreign subsidiaries of the company, Coastal Lanka Private Ltd which is domiciled in Srilanka adopted straight line method for calculating depreciation on fixed assests.

COASTAL PROJECTS LIMITED**Notes to consolidated financial statements (continued)****13. Non-current investments****(₹ in Million)**

Particulars	As at 31 March, 2016	As at 31 March, 2015
Trade investments (Unquoted)(at Cost)		
Investments in equity instruments		
a. In Associate		
<u>In shares of Nepalese Rupee 100 each, fully paid up</u>		
Nepal Jalabidyut Pravardan Tatha Bikas Limited, Nepal	169.92	169.92
(Includes Goodwill of ₹ 154.09 Million on acquisition of associate)		
b. In other entity		
<u>In shares of ₹ 10 each, fully paid up</u>		
Dharmasala Hydro Power Project Limited	10.18	10.18
S.E.L.I. Societa Esecuzione Lavori Idraulici s.p.a.	1,457.60	1,310.38
Redeemable Preference shares of first class Infrabuild Private Ltd.	54.80	54.80
(54,800 Shares(Previous Year: ₹ Nil), Face Value ₹ 10		
Aggregate amount of unquoted investments	1,692.50	1,545.28

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

(₹ in Million)		
Particulars	As at 31 March, 2016	As at 31 March, 2015
Deferred tax asset/ (liability) on timing difference due to:		
Difference between book balance and tax balance of fixed assets	34.35	(193.99)
Business loss	608.66	774.11
Unabsorbed depreciation carried forward	1,534.20	1,144.13
Sec 43B Disallowances	1.34	-
Provision for gratuity and compensated absences	8.63	8.89
Unrealised foreign exchange loss	0.41	6.73
Total	2,187.59	1,739.87

15: Long-term loans and advances

(Unsecured, considered good)

(₹ in Million)		
Particulars	As at 31 March, 2016	As at 31 March, 2015
Capital advances	631.02	798.11
Security deposits	304.97	420.29
Loans and advances to related parties: (Refer notes 35)		
Share application money pending allotment	955.13	366.67
Receivable from subsidiary (Invocation of corporate guarantee)	-	1,029.90
Advance taxes paid [net of provision for tax ₹ 483.49 million]	405.20	398.95
Other deposits	87.52	68.67
Other Advances	0.02	0.02
Total	2,383.88	3,082.61

16: Other non-current assets

(Unsecured, considered good)

(₹ in Million)		
Particulars	As at 31 March, 2016	As at 31 March, 2015
Long term trade receivables:		
Retention money	434.45	697.95
Interest accrued on bank deposits	20.19	31.15
Others		
Balances with banks:		
Deposit accounts** (Refer note below)	61.83	20.00
Margin money deposits* [Refer notes 19 (i) & (ii)]	1.30	116.83
Other receivables (net of adjustments) (Refer note 42)	4,380.44	2,294.74
Investment Advances	5.64	11.85
Total	4,903.85	3,172.51

Notes:

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

* ₹ 1.30 (Previous year: ₹ 1.20) Held as lien by department of commercial taxes against bank guarantee issued in respect of Jalpower Corporation Limited (JPL) a subsidiary of Coastal Projects Limited

17 Inventories

(₹ in Million)		
Particulars	As at 31 March, 2016	As at 31 March, 2015
Construction materials - at cost	2,496.92	2,767.23
Work-in-progress - lower of cost and net realisable value (refer note 37)	10,953.81	8,524.62
Total	13,450.73	11,291.85

18: Trade receivables* (refer note 37)

(Unsecured, considered good)

(₹ in Million)		
Particulars	As at 31 March, 2016	As at 31 March, 2015
Outstanding for a period exceeding six months from the date they were due for payment	7,819.94	5,416.70
Others	4,605.71	5,970.22
Total	12,425.65	11,386.92

*Includes retention money ₹ 1,667.99 million (31 March 2015: ₹ 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, 2016	As at 31 March, 2015
Cash and cash equivalents		
Cash on hand	15.60	17.33
Bank balances:		
-in current accounts	414.98	236.57
On Deposit accounts with maturity less than three months	166.81	155.32
Total- (A)	597.39	409.23
Other bank balances		
-in earmarked accounts		
Deposit accounts (Refer note (i) below)	102.86	337.04
Margin money deposits (Refer notes (i) & (ii)) below)	-	40.14
Total- (B)	102.86	377.18
Total Cash and cash equivalents bank balances (A+B)	700.25	786.41

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, 2016	As at 31 March, 2015
Loans and advances to related parties (Refer note 36)		
Joint ventures	258.21	258.21
Others	199.53	185.56
Security deposits	116.56	620.17
Loans and advances to employees	39.66	4.63
Prepaid expenses	22.67	24.10
Balance with government authorities :		
Works contract tax receivable	302.38	294.02
Others:		
Advance to suppliers, sub-contractors and others (Refer note 39)	1,746.04	2,370.82
Mobilisation advance to sub-contractors	523.29	466.38
Receivable from directors	15.20	15.20
Earnest money deposits	214.87	230.73
Grandeur Power Project Private Limited	-	0.04
Total	3,438.41	4,469.86

21: Other current assets

(Unsecured, considered good)

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unbilled revenue	8,664.18	8,918.97
Interest accrued on:		
Deposits with banks	6.50	14.17
Others	102.40	70.14
Other receivables	18.05	18.05
Other Advance	0.03	0.05
Advance Salary	0.12	0.12
Advance Receivable from other	3.04	3.04
Prepaid Expenses	0.67	0.72
Deposits & Advances	0.01	0.01
Total	8,795.00	9,025.26

COASTAL PROJECTS LIMITED**Notes to consolidated financial statements (continued)****22: Other income****(₹ in Million)**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Interest income:		
- on deposits with banks	78.23	52.83
- from others	22.90	49.43
Insurance claims	5.05	8.26
Profit on sale of fixed assets (net)	0.53	-
Miscellaneous income	66.30	119.39
Foreign exchange gain	0.01	(0.02)
Sale of Scrap Material	2.35	0.79
Total	175.37	230.68

23: Cost of materials consumed**(₹ in Million)**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Opening stock	2,767.23	2,553.98
Add: Purchases	3,609.70	4,198.63
Less: Closing stock	2,496.92	2,767.23
Total	3,880.01	3,985.38

24: Change in inventories of work-in-progress**(₹ in Million)**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Work-in-progress		
Opening stock	8,524.62	6,457.05
Less: Closing stock	10,953.81	8,524.62
Total	(2,429.19)	(2,067.57)

25: Construction expenses**(₹ in Million)**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Sub-contract expenses	2,375.83	2,387.45
Labour charges	1,143.36	1,345.60
Job-work charges	269.25	1,273.41
Power and fuel	788.17	821.90
Royalty and seigniorage charges	122.67	128.31
Freight and transportation charges	116.53	157.16
Construction site rental charges	30.90	28.64
Repairs and maintenance :		
Construction equipment	40.75	30.21
Others	32.95	68.39
Construction equipment hire charges (Refer note 42)	636.45	690.57
Technical and consultancy charges	58.00	58.29
Other construction expenses	34.85	36.36
Total	5,649.71	7,026.29

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

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Salaries and wages	883.34	970.39
Contribution to provident and other funds	25.40	26.59
Staff welfare expenses	40.84	57.80
Total	949.58	1,054.78

27: Finance costs**(₹ in Million)**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Interest expense on		
-Debentures	50.89	51.85
-Term loans	2,351.63	2,874.05
-Working capital demand loan and cash credit facilities	1,192.19	1,697.47
-Others	1,306.21	1,398.92
Bank and other finance charges	91.08	200.38
Exchange loss on repayment of foreign currency loans	20.41	13.73
Interest on Statutory dues	1.00	1.05
Up-front and processing fee	0.15	1.10
Total	5,013.56	6,238.57

28: Other expenses**(₹ in Million)**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Rent	11.96	9.31
Insurance	52.06	45.63
Rates and taxes	117.67	215.09
Legal and professional	77.10	128.54
Directors' sitting fees	0.24	0.08
Auditors' remuneration		
-Audit fees	0.61	1.14
-Tax audit fees	0.21	0.21
-Certification fees	0.12	0.85
-Out of pocket expenses	-	0.58
Net loss on foreign currency transactions and translation	1.20	19.45
Other receivables written off	-	205.69
Loss on sale of fixed assets	0.06	0.44
Miscellaneous expenses	165.96	132.55
Total	427.19	759.55

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, 2016	As at 31 March, 2015
Contract revenue recognised as income during the year (net of indirect taxes)	10,417.36	13,491.12
Aggregate of costs incurred and recognised profits (less recognised losses) up to the reporting date	61,022.43	89,460.88
Advances received for contracts in progress	3,175.03	2,677.54
Retention money for contracts in progress	2,120.09	2,374.39
Gross amount due from customers for contract work	10,714.79	11,313.15

30: Contingent liabilities
(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
a) Counter guarantees given to banks [includes guarantees given on behalf of Joint Ventures ₹ 2,458.83 million (31 March, 2015: ₹ 2,722.34 million)]	10,182.17	11,208.33
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.(c)]	45.26	45.26
Interest to lenders [Refer note 5.6]	1,198.26	
Lease rentals	107.27	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	Amount not ascertainable	Amount not ascertainable
L&T Infrastructure Finance Company Limited		
Central Bank of India		
Tata Motors Finance Limited		
Aditya Birla Finance Limited		
Kotak Mahindra Bank Limited		
Reliable Agencies		
Certain cases were filed by the below lender in respect delay/non-repayment of borrowing including interest	Amount not ascertainable	Amount not ascertainable
Central Bank of India		
HDFC Limited		
Bajaj Finance Limited		
Tata Motors Finance Limited		
Kotak Mahindra Bank Limited		
Export Import Bank Ltd		
IFCI Limited		
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	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	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	Amount not ascertainable

COASTAL PROJECTS LIMITED
Notes to consolidated financial statements (continued)
31: Capital and other commitments

Particulars	As at 31 March, 2016	As at 31 March, 2015
Capital commitments		
a) Estimated amount of contracts remaining to be executed on capital	5,985.14	49.42
Other commitments		
a) Commitment towards investment in companies [Net of advances of ₹ 32.01 million]	119.89	119.89
b) Commitment towards investments in new hydro power companies to set up in Arunachal Pradesh:	Amounts indeterminate.	Amounts indeterminate.

32: Expenditure in foreign currency (on accrual basis)
(₹ in Million)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Travelling expenses	6.00	1.18
Professional and consultancy charges	50.44	4.96
interest	24.51	66.10
others(Repairs and maintenance, Membership fee& License fee)	-	0.37
Total	80.95	72.61

33. Earnings per share
(₹ in Million)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
(a) Basic		
Loss after tax (₹ in Million)	(2,847.76)	(3,958.63)
Weighted average number of equity shares outstanding (Nos.)	12,36,70,544	1,91,63,468
Earnings per share - Basic (₹)	(23.03)	(206.57)
(b) Diluted		
Loss after tax (₹ in Million)	(2,847.76)	(3,958.63)
Add: Interest expense on compulsory convertible debentures (net of tax)	34.23	34.23
Loss after tax for calculation of Diluted EPS (₹ in Million)	(2,813.53)	(3,924.40)
Weighted average number of equity shares outstanding	12,36,70,544	1,91,63,468
Add: 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	12,36,70,544	13,16,72,808
Diluted EPS (₹)*	(23.03)	(206.57)
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 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 ₹ 25.40 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, 2016 is ₹ 16.54 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 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, 2016	For the year ended / As at 31 March, 2015
Component of employer's expense		
Current service cost	5.23	5.36
Interest cost	2.80	2.43
Expected return on plan assets	-0.93	-1.15
Net actuarial gain recognised in the year	-7.77	0.69
Expenses recognised in the statement of profit and loss	(0.67)	7.33
Net Liability recognised in the balance sheet		
Present value of defined benefit obligation	27.55	36.27
Fair value of plan assets	-11.01	-13.14
Liability recognised in the balance sheet	16.54	23.13
Change in defined benefit obligation during the year		
Opening defined benefit obligation	35.03	30.37
Current service cost	5.23	5.36
Interest cost	2.80	2.43
Actuarial gain	0.00	1.93
Benefits paid	-1.81	-5.06
Closing defined benefit obligation	41.25	35.03
Changes in fair value of plan assets		
Opening fair value of plan assets	11.90	14.57
Expected return	0.93	1.15
Contributions	-	-
Benefits paid	(1.81)	(3.82)
Closing fair value of plan assets	11.02	11.90
Actuarial assumptions		
Discount rate	8%-9.3%	8%-9.3%
Expected rate of return on assets	8% - 9%	8% - 9%
Salary escalation rate	10%-12%	10%-12%
Attrition rate	10%-15%	10%-15%
Mortality table	LIC(2006-08)	LIC(2006-08)
Movement in the net liability recognised in the balance sheet		
Opening net liability	23.13	15.80
Expenses recognised in the statement of profit and loss	-0.67	7.33
Provision for minimum wage employees - actuals*	0.00	0.00
Closing net liability	22.46	23.13
Long-term	19.18	19.77
Short-term	3.29	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.

(₹ in Millions)

Experience adjustment	For the Years Ended 31 March,				
Particulars	2016	2015	2014	2013	2012
Present value of defined benefit obligation	41.25	35.03	23.84	31.47	38.81
Fair value of plan assets	11.02	11.90	14.57	18.18	17.42
Status [deficit]	(30.23)	(23.13)	(9.26)	(13.29)	(21.39)

(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)

	As at 31 March, 2016	
Category of assets		
Insurer managed funds- Life Insurance Corporation of India	11.02	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)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Components of Employer Expenses		
Current service cost	0.02	2.93
Interest cost on benefit obligation	0.10	1.61
Net actuarial (gain)/ loss recognized in the year	(0.05)	(14.43)
Net benefit expense	0.07	(9.03)
Change in defined benefit obligation:		
Opening defined benefit obligation	1.22	20.19
Interest cost	0.10	1.61
Current services cost	0.02	2.93
Benefits paid	-	-
Actuarial (gains)/losses on obligation	(0.05)	(14.42)
Closing defined benefit obligation	1.29	10.31
Assumptions		
Salary escalation rate	10%- 12%	10%- 12%
Discount rate	8.00%	8.00%
Attrition rate	10%-15%	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:**

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 (from 1 October, 2013) Mr. Monil Kumar Sharma
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 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, 2016	For the Year Ended 31 March, 2015
Contract revenue			
AKR – Coastal	Joint Venture	120.67	-
GYT - Coastal	Joint Venture	748.99	817.78
HCC- Coastal	Joint Venture	918.54	1,079.07
Coastal – TTS	Joint Venture	1,607.01	814.87
CPPL – Chongqing	Joint Venture	55.46	320.04
Essar- DEC- CPPL	Joint Venture	-	6.28
Interest income			
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	23.12	22.03
Interest free unsecured loan			
Mr. S. Surendra	Key Management Personnel	49.90	87.37
Allotment of Equity Shares			
Mr. S. Surendra	Key Management Personnel	1,312.41	-
Allotment of CCP shares including premium			
Mr. S. Surendra	Key Management Personnel	-	1,312.41
Loans and advance given			
Grandeur Power Projects Private Limited	Subsidiary	0.16	-
Nuziveedu - Swathi – Coastal	Joint Venture	-	2.17
S. Surendra	Key Management Personnel	2.75	2.75
G. Hari Hara Rao	Key Management Personnel	8.95	8.95
N. Sridhar	Key Management Personnel	3.50	3.50
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	14.07	-
Loans and Advance Recovered / Adjusted			
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
Mobilisation advance received			
HCC - Coastal	Joint Venture	-	0.62
Material advance received			
GYT - Coastal	Joint Venture	-	447.63
Material advance Adjusted			
GYT - Coastal	Joint Venture	-	239.78
Mobilisation advance repaid / Adjusted			
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, 2016	As at 31 March, 2015
Trade receivables			
AKR – Coastal	Joint Venture	127.63	45.23
Aban – Coastal	Joint Venture	-	48.48
Coastal - Patel - Jyothi – CBE	Joint Venture	196.34	196.34
HCC – Coastal	Joint Venture	783.37	617.38
GYT-Coastal	Joint Venture	128.80	179.54
CPL-TTS	Joint Venture	1.55	117.42
Essar - DEC – CPPL	Joint Venture	1.73	4.92
Advance towards Share application money			
Coastal Sirohi Power Limited	Subsidiary	100.00	100.00
Interest receivable			
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	84.87	61.75
Loans /Advances receivable			
Sabbineni Holdings Private Limited	Companies in which significant influence is exercised	-	184.01
CPPL – Chongqing	Joint Venture	258.21	258.21
S. Surendra	Key Management Personnel	2.75	2.75
G. Hari Hara Rao	Key Management Personnel	8.95	8.95
N. Sridhar	Key Management Personnel	3.50	3.50
Nuziveedu - Swathi – Coastal	Joint Venture	547.00	691.52
Mobilisation advance payable			
Coastal – TTS	Joint Venture	-	203.70
GYT - Coastal	Joint Venture	-	100.37
HCC - CPL	Joint Venture	99.63	73.88
Coastal – Patel – Jyothi - CBE	Joint Venture	410.53	410.53
CPPL – Chongqing	Joint Venture	67.25	67.25
Material advance payable			
GYT - Coastal	Joint Venture	-	251.29
Machinery advance payable			
GYT - Coastal	Joint Venture	-	106.60
Corporate guarantee			
Nuziveedu - Swathi – Coastal	Joint Venture	300.00	300.00
Counter guarantee			
HCC – Coastal	Joint Venture	1,689.44	1,952.95
Essar- DEC- CPPL	Joint Venture	45.76	45.76
Coastal - Patel - Jyothi – CBE	Joint Venture	545.95	545.95
CPPL – Chongqing	Joint Venture	95.50	95.50
AKR – Coastal	Joint Venture	82.18	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 ₹ 6,760.10 million (31 March, 2015: ₹ 5,468.81) [Trade receivables included in Note 18 ₹ 382.01 million (31 March, 2015: ₹ 382.01 Million), Contracts-in progress included in Note 17 ₹ 1,059.72 million (31 March, 2015: ₹ 1,339.35 million), Unbilled Revenue included in Note 21 ₹ 2,999.89 million (31 March, 2015: ₹ 2,617.29 million), invoked bank guarantees (net of advances received) included in Note 16 ₹ 2,133.46 million (31 March, 2015: ₹ 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 ₹ 843.41 million (31 March, 2015: ₹ 401.97 million) in Coastal Transnational Ventures (CY) Limited, Cyprus ("CTVL") a wholly owned subsidiary and has advanced share application money aggregating to ₹ Nil million (31 March, 2015: ₹ 266.67 million) as at 31 March, 2016. 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, 2016. 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 ₹ 0.79 million for the previous year ended 31 March, 2016 and its accumulated loss of ₹ 252.21 million as at 31 March, 2016 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 ₹ 843.41 million and share application money of ₹ 855.13 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, 2016. Investment in CTVL has been consolidated as at 31 March 2016, however investment in SELI has been grouped under non-current investments.

39: Advance to suppliers, sub-contractors and others include an amount of ₹ 87.08 million (31 March, 2015: ₹ 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: 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.

41: The Holding Company has business loss of ₹ 3,001.95 million (31 March, 2015: ₹ 3,741.48 million), including unabsorbed depreciation of ₹ 1,237.38 million (31 March, 2015: ₹ 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 ₹ 1,568.74 million (31 March, 2015: ₹ 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. Further, based on RBI circular providing for conversion of debt into equity under the Strategic Debt Restructuring Scheme, lenders on 25 July, 2015 invoked SDR and converted debt of ₹ 1,805.13 million into equity shares at par value of ₹ 10 each. 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 SDR 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 to consolidated financial statements (continued)****42: 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, 2016	As at 31 March, 2015
Later than one year and not later than five years	0.00	531.77
	-	376.61
	-	-
Total	-	908.38
Lease payments recognised in the Statement of profit and loss for the year	497.66	690.57

42: 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, 2016	As at 31 March, 2015
Not later than one year	-	531.77
Later than one year and not later than five years	-	376.61
Later than five years	-	-
Total	-	908.38
Lease payments recognised in the Statement of profit and loss for the year	497.66	690.57

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

(₹ in Million)

Particulars	As at 31 March, 2016	
	Amount in US \$	Amount in ₹
Buyers Credit	-	-
Foreign currency loan	-	-

44: Deferred Taxes

(₹ in Million)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Deferred tax assets on timing difference due to:		
Difference between book balance and tax balance of fixed assets	34.35	(193.99)
Business loss	608.66	774.11
Unabsorbed depreciation carried forward	1,534.20	1,144.13
Provision for gratuity and compensated absences	8.63	-
Sec 43b Disallowance	1.34	8.89
Unrealised foreign exchange loss	0.41	6.73
Net Deferred Tax Asset/(Deferred Tax Liability)	2,187.60	1,739.87

Note : 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 In respect of Ujjawala Powee Private Limited, GERC revised the tariff for solar power plants in Gujarat for the tariff control period starting from 29th January 2012 vide its order dated 7th of July 2014 (to be read with corrigendum dated 11th July 2014). GUVNL has filed an appeal before the APTEL against the said order which is pending adjudication. The trade receivables (including unbilled revenue) include an amount of ₹ 59.85 million (previous year: ₹ 39.42 million) on account of its order. The Company has also recognised interest of ₹ 17.53 million (previous year: ₹ 8.39 million) on the overdue amount.
- 46: 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 46A. 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 46B
- 47: 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)

For and on behalf of the Board of Directors

Manas Kumar Mania
Partner
(Membership No: 300113)

N. Sridhar	G.Hari Hara Rao
Director Finance	Managing Director

N.Varalakshmi
Company Secretary

Date : 02 December, 2016
Place: Bhubaneswar

Date : 02 December, 2016
Place: Hyderabad

COASTAL PROJECTS LIMITED

Annexure referred to in Note No.46A

Disclosure of additional information as per general instructions for preparation of Consolidated Financial
(₹ 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
<u>Parent</u>				
Coastal Projects Limited	39.83	2,675.28	101.41	(2,888.08)
<u>Subsidiaries</u>				
<u>Indian</u>				
1) Jal Power Corporation Limited	27.41	1,841.16	0.01	(0.17)
2) Ujjawala Power Private Limited	(2.31)	(155.04)	(1.49)	42.30
3) Para Hydro Power Private Limited	0.00	0.04	0.00	(0.01)
4) Rebbby Hydro Power Private Limited	0.00	0.04	0.00	(0.01)
5) Badao Hydro Power Private Limited	0.00	0.05	0.00	(0.01)
6) Grandeur Power Projects Private Limited	(0.01)	(0.36)	0.00	(0.05)
<u>Foreign</u>				
1) Coastal Lanka Private Limited	(0.19)	(12.95)	0.04	(1.11)
2) Coastal Transnational Ventures (CY) Limited	21.61	1,451.46	0.03	(0.75)
Minority Interest in all subsidiaries	13.65	916.61	0.00	(0.07)
<u>Associates</u>				
(Investment as per Equity method)				
<u>Foreign</u>				
1) Nepal Jalbidyut Pravarthan Tatha Bikas Limited (Excluded from Consolidated Financial Statements in the FY 2015-16)	NA	NA	NIL	(0.02)
	100.00	6,716.31	100.00	(2,847.98)

COASTAL PROJECTS LIMITED

Annexure referred to in Note No. 46B

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**(₹ in Million)**

Sl.No.	Name of Subsidiary Company	Reporting Period	Reporting Currency	Exchange Rate on the last date of the Financial Year	Share Capital	Reserves & Surplus	Total Assets (excluding investment)	Total Liabilities	Investment s	Turnover	Profit Before Taxation	Provision for Tax & Def. Tax	Profit After Taxation	Dividend proposed	% of Share Holding
1)	Jal Power Corporation Limited	31.03.2016	INR	-	1,888.88	(49.00)	9,394.97	7,553.81	-	-	(0.17)	-	(0.17)	-	50.18
2)	Ujjawala Power Private Limited	31.03.2016	INR	-	0.10	(155.15)	2,667.19	2,877.02	54.80	398.07	(39.06)	(81.36)	42.30	-	100.00
3)	Para Hydro Power Private Limited	31.03.2016	INR	-	0.10	(0.07)	1.22	1.18	-	-	(0.01)	-	(0.01)	-	100.00
4)	Rebby Hydro Power Private Limited	31.03.2016	INR	-	0.10	(0.07)	0.89	0.84	-	-	(0.01)	-	(0.01)	-	100.00
5)	Badao Hydro Power Private Limited	31.03.2016	INR	-	0.10	(0.06)	0.38	0.33	-	-	(0.01)	-	(0.01)	-	100.00
6)	Grandeur Power Projects Private Limited	31.03.2016	INR	-	0.10	(0.41)	38.25	38.61	-	-	(0.05)	(0.00)	(0.05)	-	100.00
7)	Coastal Lanka Private Limited	31.03.2016	LKR	0.47	0.00	(12.97)	14.49	27.44	-	-	(1.11)	-	(1.11)	-	100.00
8)	Coastal Transnational Ventures (CY) Liimited	31.03.2016	EURO	75.10	751.60	(252.21)	-	958.21	1,457.60	-	(0.79)	-	(0.79)	-	100.00

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

For and on behalf of the Board of Directors

Manas Kumar Mania
Partner
(Membership No: 300113)

N. Sridhar
Director Finance

G.Hari Hara Rao
Managing Director

Date : 02 December, 2016
Place: Bhubaneswar

N.Varalakshmi
Company Secretary

Date : 02 December, 2016
Place: Hyderabad

COASTAL PROJECTS LIMITED

Notes forming part of the Consolidated 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 have 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, 2016. The lenders have therefore invoked Strategic Debt Restructuring Scheme (SDR) on 25 July, 2015 as reference date. Accordingly it was proposed to convert ₹ 2,120.00 million of debt in to equity. The Strategic Debt Restructuring (SDR) scheme was implemented by super majority of lenders by converting debt of ₹ 1,805.13 million at par value of ₹ 10 each per share, there by holding 54.55% stake in 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 2015-16
Subsidiaries:		
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 Limited	Cyprus	100%
Associates:		
Nepal Jalbidyut Pravarthan Tatha Bikas Limited*	Nepal	41.11%

*In the absence of the required information consolidation of the same was not carried out.

2. Significant Accounting Policies

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 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.

COASTAL PROJECTS LIMITED

Notes forming part of the Consolidated Financial Statements

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) 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 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 2016.
- 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

COASTAL PROJECTS LIMITED

Notes forming part of the Consolidated Financial Statements

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.

d) 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.

e) 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 is carried at cost. Cost comprises of direct costs incurred, related incidental expenses and attributable borrowing costs.

f) 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.

g) 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.

COASTAL PROJECTS LIMITED

Notes forming part of the Consolidated Financial Statements

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.

h) 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.

i) 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.

j) 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

COASTAL PROJECTS LIMITED

Notes forming part of the Consolidated Financial Statements

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.

k) 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.

l) 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

m) 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.

n) 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.

o) 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.

p) 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

COASTAL PROJECTS LIMITED

Notes forming part of the Consolidated Financial Statements

estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

q) 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.

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.

Form No. MGT – 11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U452503OR1995PLC003982

Name of the company: Coastal Projects Limited

Registered office: 237 Bapuji Nagar, 2nd Floor, Bhubaneswar, Orissa - 751009

Name of the member: Registered address: E-mail Id: Client Id : DP ID:
--

I/we, being the member(s) of.....shares of the above named company, hereby appoint,

Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company **Coastal Projects Limited** to be held on Friday, the **30th December, 2015** at 12.00 Noon and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number
Ordinary Resolution
1. To receive, consider, adopt and approve the audited Financial Statements of the Company for the Financial Year ended as on 31 st March, 2016 together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sharad Kumar (holding DIN: 06549014), who retires by rotation and being eligible, offers himself for re-election.
3. To consider the ratification of appointment of the auditors of the Company
Special Business
4. Reclassification of share capital
5. Ratification of cost auditor remuneration
6. Approval under section 180(1)(a)
7. Approval under section 180(1)(a)
8. Approval under section 62(3)

**Affix
Revenue
Stamp**

Signed this on _____, 2016

Signature of shareholder:

Signature of Proxy holder:

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.