

Coastal Corporation Ltd.

(CIN : L63040AP1981PLC003047)

GOVT. OF INDIA RECOGNISED ☆ ☆ TWO STAR EXPORT HOUSE
Regd. Off. : 15-1-37/3, Nowroji Road, Maharanieta, Visakhapatnam - 530 002, INDIA
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Plant Unit 1 : Marikavalasa (V), Paradesipalem Panchayat, Visakhapatnam Dist.
Plant Unit 2 : P. Dharmavaram Village, S. Rayavaram Mandal, Visakhapatnam Dist.

November 20, 2019

To
The BSE Limited
PJ Towers
Dalal Street
Mumbai - 400001.

Dear Sir,

**SUB: Intimation under Regulation 30(6) of SEBI (LODR) Regulations, 2015 -
Corporate Presentation.**

Please find enclosed herewith the Corporate Presentation for the information of the Stakeholders.

The will also be available on the Company's Website, www.coastalcorp.co.in

This is for your information & records.

Yours Sincerely,
For Coastal Corporation Limited



Swaroopa Meruva
Company Secretary





COASTAL
CORPORATION
LIMITED

Coastal Corporation Ltd

Corporate Presentation

November 2019

About Coastal Corporation Ltd



- Incorporated in the year 1981 as a private limited company, it was initially engaged into business of hiring of large trawlers from abroad for deep sea fishing and export of fish.
- It came out with a Public Issue in the year 1986
- In the year 1986, it transformed its business from hiring trawlers from abroad, the Company acquired its own Trawlers for deep sea fishing
- In the year 1993, the Company established its own Ultra Modern Shrimp Processing Unit I & Export Business. The Company also established its Unit II in the year 2013
- Over the last 26 years, the company has firmly established itself into shrimp processing business and export.
- It exports its products across globe markets – US, Europe, Canada, UAE, Saudi Arabia, Hong Kong, Korea, China and Russia
- The company has followed a liberal Bonus Issue policy – of every 8 shares in the paid up capital, 7 shares are Bonus shares

Promoters



Mr. Valsaraj Thottoli
Managing Director

Qualification : B. Tech (Chemical Engineering)

Age: 65 years

He holds a Bachelors Degree of Technology (in Chemical Engineering) with an experience of 38 years. Presently, he is the Chairman and Managing Director of the Company, he has been devoting his entire time, efforts and energy to develop this Company in all aspects including strategic business planning and analysis of future competition and threats at Global level as the business of the company is export oriented.



Dr. Kambhampati Haribabu

Qualification : Masters of Engineering (Electrical)

Age: 66 years

He holds a Masters Degree of Engineering (Electrical) with an experience of 38 years. He is results driven, self-motivated and resourceful Promoter with a proven ability to develop and strengthen the business in order to maximize company profitability and efficiency.

Strong Management Team

Name	Designation
Mr. Valsaraj Thottoli	Chairman and Managing Director
Mr. Ganta Veera Venkata Satyanarayana	Whole-time Director designated as Director – Finance & CFO
Mr. Venkata Suryanarayana Malakapalli	Independent Non Executive Director
Mrs. Jeeja Valsaraj	Non Executive Director
Mr. Venkateswara Rao Kamireddi	Independent Non Executive Director
Mr. Kalyanaraman P.R	Independent Non Executive Director
Mr. K.V.Mohan Krishna	General Manager
Ms. Swaroopa Meruva	Company Secretary

Two Modern Processing Facilities at Andhra Pradesh

Unit I: Marikavalasa, Vizag



Capacity of the Unit I:

Plate Freezer – 17.5 MT per day

Individually Quick Frozen – 10 MT per day

Blast Frozen – 10 MT per day

Cooker – 10 MT per day

Unit II: Penugollu Dharmavaram, Vizag



Capacity of the Unit II:

Plate Freezer – 14 MT per day

Individually Quick Frozen – 25 MT per day

Certified Manufacturing Facilities

All major Certifications / Accreditations in place:

- ❖ Hazard Analysis and Critical Control Point (HACCP)
- ❖ Export Inspection Council of India (EICI)
- ❖ Best Aquaculture Practices (BAP)
- ❖ British Retail Consortium (BRC)
- ❖ Halal (Islamic Council)
- ❖ European Commission (EU)
- ❖ Food & Drug Administration (FDA)



AWARDS & RECOGNITIONS

Year	Awards & Recognitions
1992-1993	Excellence in Export through deep sea fishing during the year awarded by Ministry of Commerce Govt. of India.
2014	National Award for Outstanding Entrepreneurship in MSME in the Medium Enterprises Category from the Ministry of Micro, Small and Medium Enterprises Govt. of India
2015	a. Excellence in Export Performance (Small Scale Industry) awarded by FTAPCCI
	b. National Award for Outstanding Entrepreneurship in MSME in the Medium Enterprises (Manufacturing) Category from the Ministry of Micro, Small and Medium Enterprises Govt. of India.
	c. National Award for Exports in MSME in the Medium Enterprises (Manufacturing) Category from the Ministry of Micro, Small and Medium Enterprises Govt. of India.
2015-16	Export Excellence Award in Top Multi Product Exporter in Andhra Pradesh from Federation of Indian Export Organizations (Southern Region)
2016-17	FTCCI Excellence Award in recognition of Excellence in Export Performance for the year 2016-17

Processing capability of diversified variety

Coastal offers shrimps in various forms – raw frozen blocks and in IQF, cooked in frozen blocks and cooked in IQF form as per customers specifications. It has consistently moved up the value chain in its product offerings by processing more and more value added shrimps

Processing wide varieties of shrimps:

Sea Caught Varieties:

- ❖ Sea White (Penaeus Indicus)
- ❖ Sea Tiger (Penaeus Monodon)
- ❖ Pink Brown Shrimp (Metapenaeus Monoceros)

Aquaculture Varieties:

- ❖ Black Tiger (Penaeus Monodon)
- ❖ Vannamei (Litopenaeus Vannamei)

Established Brands:

- ❖ Coastal
- ❖ Coastal Premium
- ❖ Coastal Gold
- ❖ Jewel
- ❖ President

Bouquet of Product Offerings

Headless Shell On (HL)



Peeled Deveined Tail On (PDTO)



Peeled Deveined Tail Off (PD)



Pulled Vein Tail On (PVPDTO)



Peeled Un-Deveined (PUD)



Butterfly



Shrimp Skewers



Cooked Head On



Cooked HL Shrimp



Cooked HL Easy-Peel Shrimp



Cooked PDTO Shrimp



Cooked PD Shrimp



Catering to Reputed Clientele

SNo.	Names of the Major Customers	SNo.	Names of the Major Customers
1	AZ GEMS INC	6	FOUR SEASON FOODS
2	BLUE SEA PRODUCTS LLC	7	J.F CLARKE CORPORATION
3	CHOICE CANNING	8	NATIONAL FISH
4	H&T SEAFOODS	9	PACIFIC CORAL SEAFOOD
5	DIRECT SOURCE	10	SOUTHWIND SEAFOODS



Surging consumption of Sea Food in Developed and Developing Economies:

- ❖ Economic prosperity driving consumption pattern across geographies
- ❖ Consumer shift towards sea food as source of protein and increased demand for exotic varieties
- ❖ Expanding population, rising health consciousness with preference for micronutrient rich foods amongst consumers and increasing disposable income

Between 1961 and 2016, global sea food consumption grew by 3.2% outpacing population growth of 1.6% and exceeded that of meat, which grew by 2.8%

Per Capita consumption of sea food has increased from 9 kg in 1961 to 20.5 kg in 2017 and is expected to increase to 21.6 kg by 2026

Rising demand for sea food and relatively static growth in capture sea food - demand and significance for aquaculture is on an uptrend

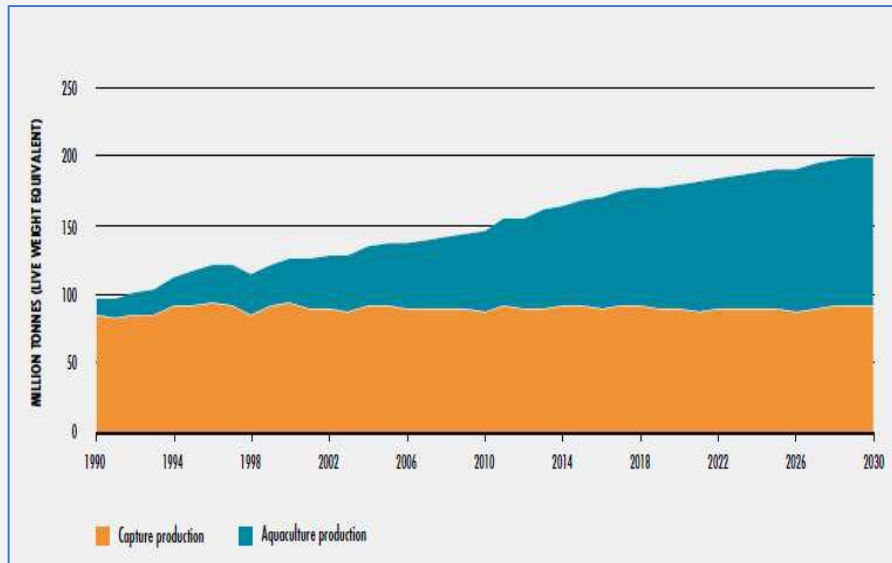
Aquaculture contribution on upswing

- Governments across world are implementing regulations placing limits on captures in order to curb overfishing and protect the biodiversity
- With sea food consumption growth outpacing production, emphasis on aquaculture is increasing
- Sustainable sea food and organic aquaculture practices are gaining prominence
- Focus is on increasing the area devoted to aquaculture and improve productivity per unit in existing aquaculture areas
- Aquaculture now contributes 47% of total sea food production of 171 million tonnes in 2016, with an estimated value of \$ 232 billions

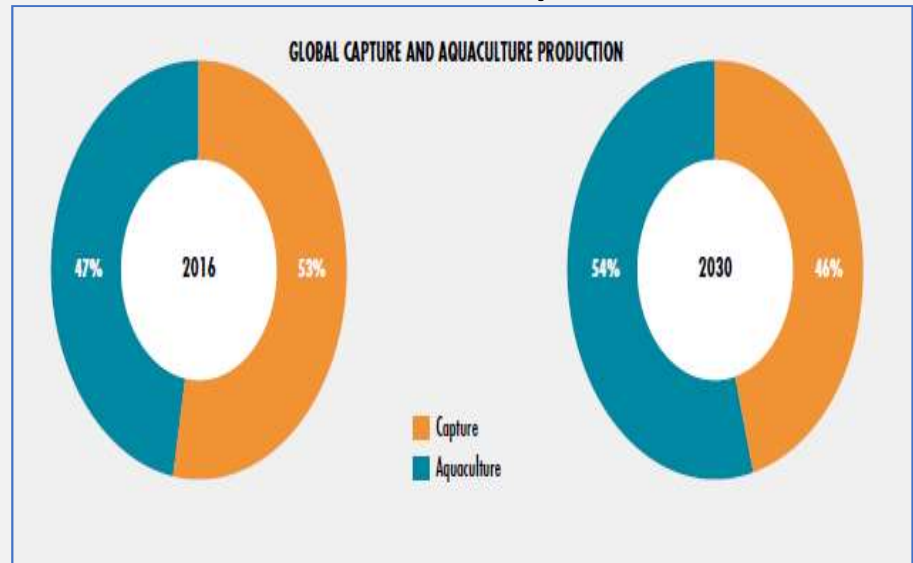


World Capture Fisheries & Aquaculture Production

Production Outlook till 2030



Increased contribution of Aquaculture



Source: FAO

Top Ten Exporters – Importers of Fish & Fish Products

Top Exporters

Country	2006		2016	
	Value (USD Million)	%ge Share	Value (USD Million)	%ge Share
China	8,968	10.4	20,131	14.1
Norway	5,503	6.4	10,770	7.6
Vietnam	3,372	3.9	7,320	5.1
Thailand	5,267	6.1	5,893	4.1
USA	4,143	4.8	5,812	4.1
India	1,763	2.0	5,546	3.9
Chile	3,557	4.1	5,143	3.6
Canada	3,660	4.2	5,004	3.5
Denmark	3,987	4.6	4,696	3.3
Sweden	1,551	1.8	4,418	3.1
Top Ten Total	41,771	48.4	74,733	52.4
Rest of World Total	44,523	51.6	67,796	47.6
World Total	86,294	100.0	142,529	100.0

Top Importers

Country	2006		2016	
	Value (USD Million)	%ge Share	Value (USD Million)	%ge Share
USA	14,058	15.5	20,547	15.1
Japan	13,971	15.4	13,878	10.2
China	4,126	4.5	8,783	6.5
Spain	6,359	7.0	7,108	5.2
France	5,069	5.6	6,177	4.6
Germany	4,717	5.2	6,153	4.5
Italy	3,739	4.1	5,601	4.1
Sweden	2,028	2.2	5,187	3.8
Republic of Korea	2,753	3.0	4,604	3.4
United Kingdom	3,714	4.1	4,210	3.1
Top Ten Total	60,534	66.6	82,248	60.7
Rest of World Total	30,338	33.4	52,787	39.3
World Total	90,872	100.0	135,035	100.0

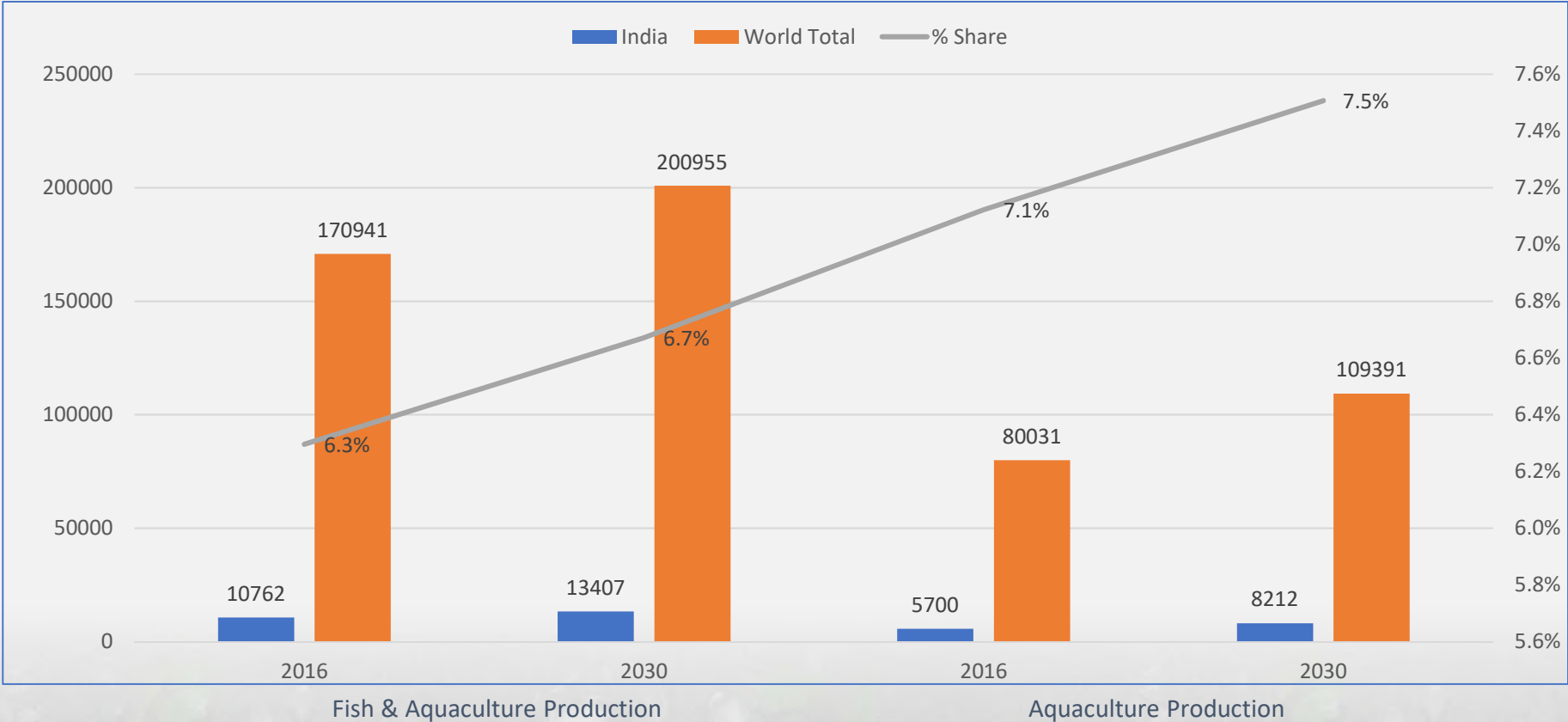
Source: FAO

India – Conducive Aquaculture Policy

Policy Initiative by Government to fillip Aquaculture:

1. Ministry of Food Processing, Govt. Of India, is encouraging the entrepreneurs for establishing processing factories under “Scheme for Integrated Cold Chain and Value Addition Infrastructure by extending Rs. 10 Crores Grant-in-aid
2. The Govt. Of India is providing Interest Equalization @ 5% in respect of exports by the Micro, Small & Medium Enterprises(MSME) sector manufacturers under the Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit
3. There are various schemes under Andhra Pradesh Food Processing Policy 2015-20 for setting up Cold Chain Units for Establishment of Shrimp Processing Units, eligibility upto 50% of Project Cost and Maximum Limit of Grant-in-aid upto Rs. 5 Crores and interest Subsidy for 5 years from COD @ 6% (Subject to Max. Rs. 2.50 Crores)
4. The State Govt. also provides Fiscal Incentives like Reimbursement of Power Consumption Charges @ Rs. 1.00 per unit for 5 years for Fish & Shrimp Processing Units and other incentives for establishing shrimp processing units in the State of AP
5. The Central Govt. (Ministry of Commerce & Industry) also provides Export Benefits like Merchandise Export from India Scheme (MEIS) @ 7% on FOB Value in Rupees and Duty Drawback @ 2.7% on FOB value

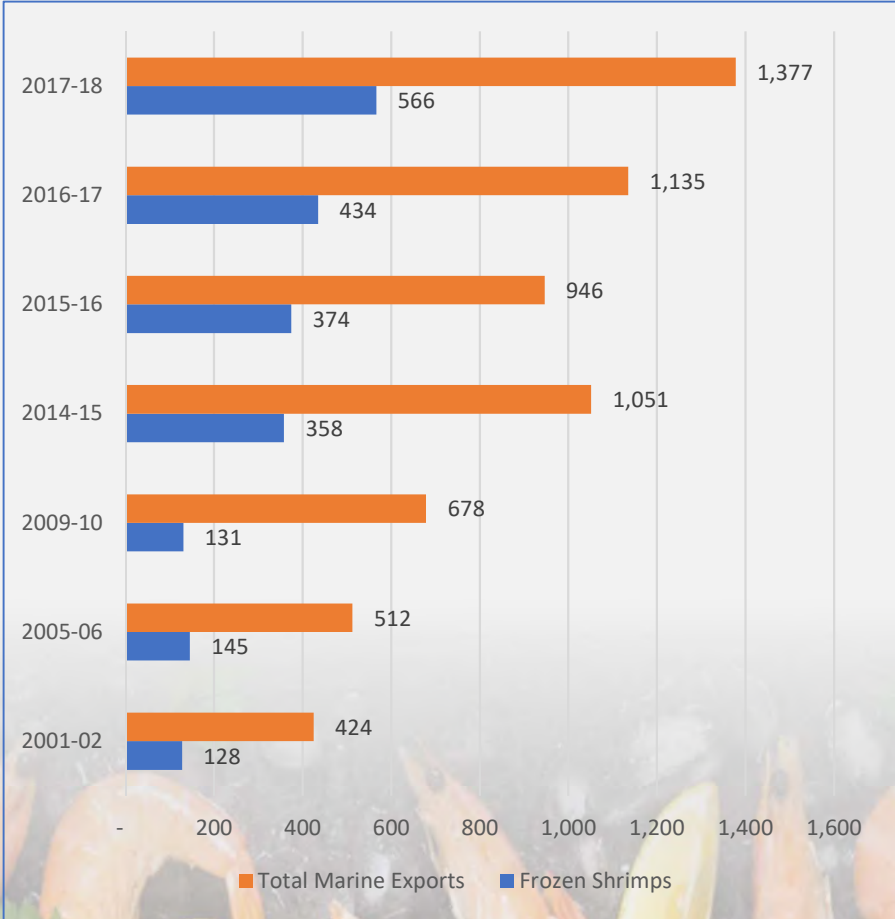
India – Share in global Sea Food to Increase



Source: FAO

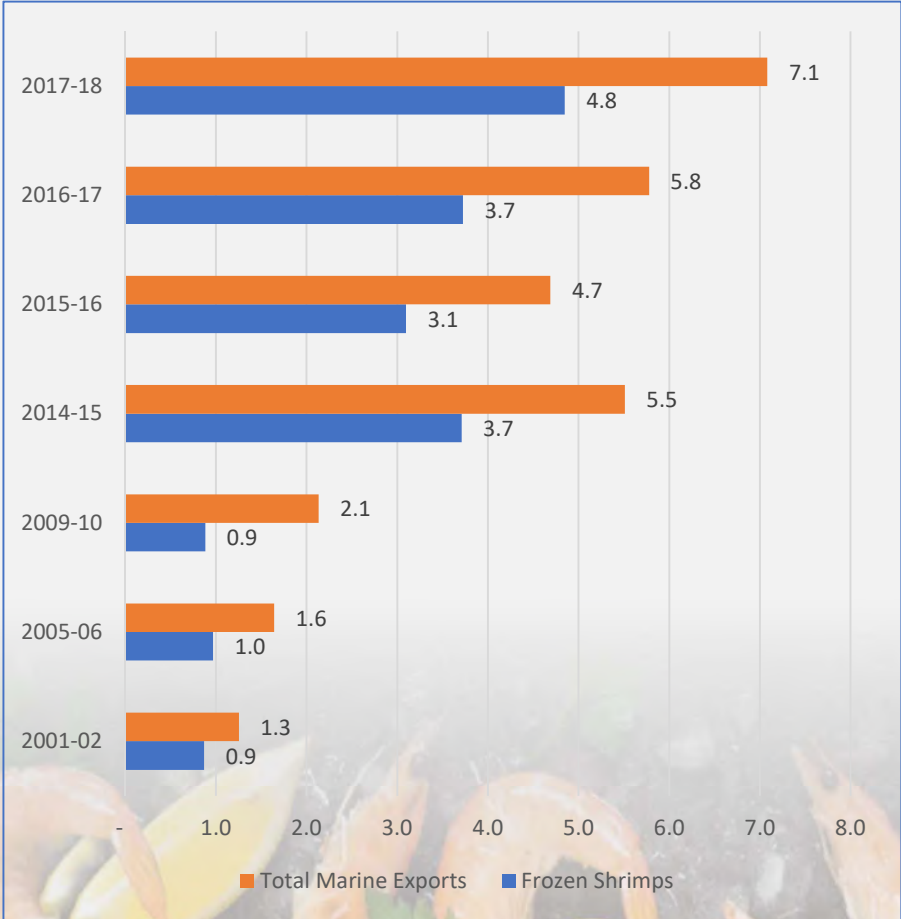
India – Emerging player in Sea Foods Exports

Sustained Growth in Marine Product Exports (In '000 Tonnes)



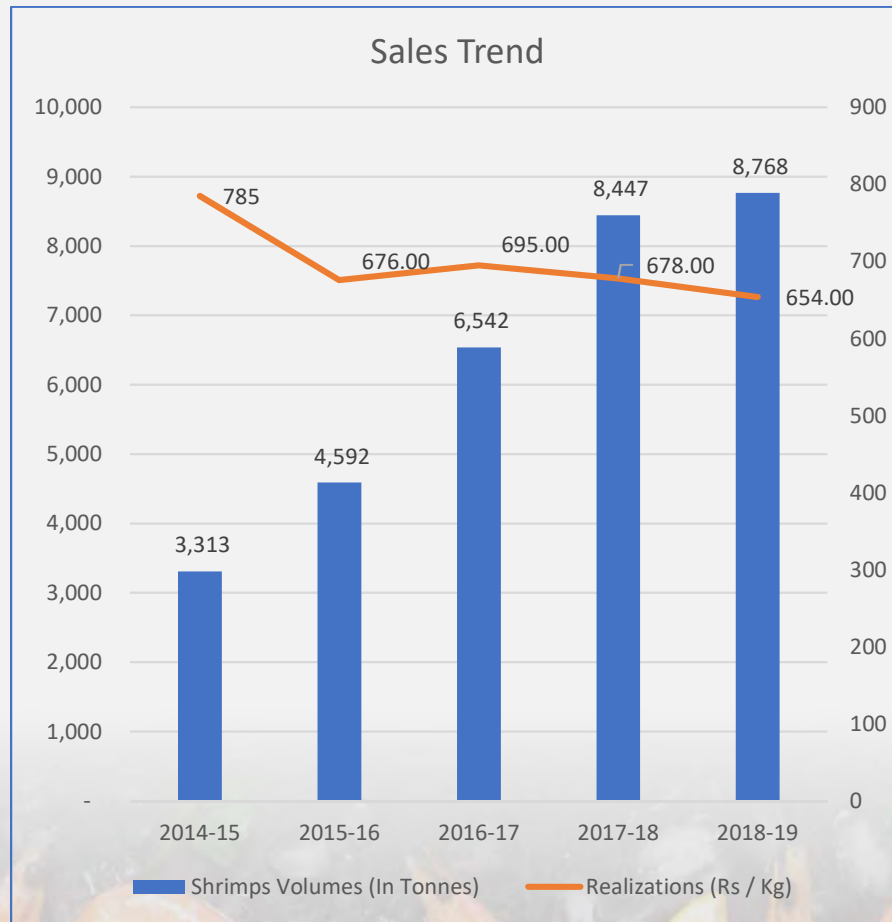
Source: MPEDA

Sustained Growth in Marine Product Exports (USD Billion)



Source: MPEDA

Coastal Corporation – Leading Industry Growth



- During the period 2014-15 to 2018-19, Coastal grew its sales volume at a CAGR of 27.5% as against India's export CAGR of 16.5%
- Realizations remained under pressure on account of harsher climatic condition in major US market and inventory pile up

Embarking on Expansion Plans

Coastal has embarked upon expansion plans into a pre-processing unit, new processing unit and a solar power plant with an estimated total capex of around Rs 610 million:

- Pre-processing Unit – estimated capex of Rs 70 million
- New Processing Unit – estimated capex of Rs 290 million
- Solar Power – estimated capex of Rs 250 million

The above capex is expected to be completed by the end of the current financial year



Capex to drive Volume Growth

Pre-processing Unit:

- De-bottlenecking at existing facilities
- Increase capacity utilization from existing facilities
- Volumes can increase by 15 tonnes per day

New Processing Unit:

- Brownfield expansion with additional capacity of 15 tonnes per day
- Widen the value added product basket

The above investments would enable the company to enhance its volumes by around 30 tonnes per day from existing levels.

Solar Plant to enhance Profitability

Solar Power:

- Accelerated Depreciation benefit
- Savings in Tax outgo
- Reduce per unit power cost from around Rs. 7-8 per unit to around Rs. 3-4 per unit
- Power cost savings to the tune of around Rs 40 Million annually

Overall, Solar Investments would improve the profitability of the Company



Q2FY2020 Performance

Consolidated (Rs Million)	Q2FY2020	Q2FY2019	% yoy	Q1FY2020	% qoq	FY2019	FY2018	% yoy
Total Revenue	1,673	1,438	16.4	1,387	20.6	6,322	6,175	2.4
Raw Material Cost	1,437	1,098	30.9	1,176	22.2	5,365	5,472	(2)
Employee Cost	31	30	2.2	27	15.6	131	130	1.3
Other Expenses	24	30	(19.9)	18	33.9	79	61	29.8
EBIDTA	180	279	(35.3)	166	8.6	746	512	45.7
EBIDTA Margins (%)	10.8	19.4		12.0		11.8	8.3	
Depreciation & Amortization	9	9	(1.7)	8	7.4	34	31	8.1
Finance Cost	19	22	(14.7)	17	9.2	98	103	(5.6)
Profit Before Tax	153	248	(38.3)	141	8.6	615	378	62.8
Tax	19	83	(76.7)	52	(62.9)	236	139	69.8
Profit After Tax	134	165	(19.0)	89	50.7	379	239	58.8
PAT Margin (%)	8.0	11.5		6.4		6	3.9	
Diluted EPS (Rs)	13.2	15.6		8.9		37.1	94	

Q2FY2020 Performance

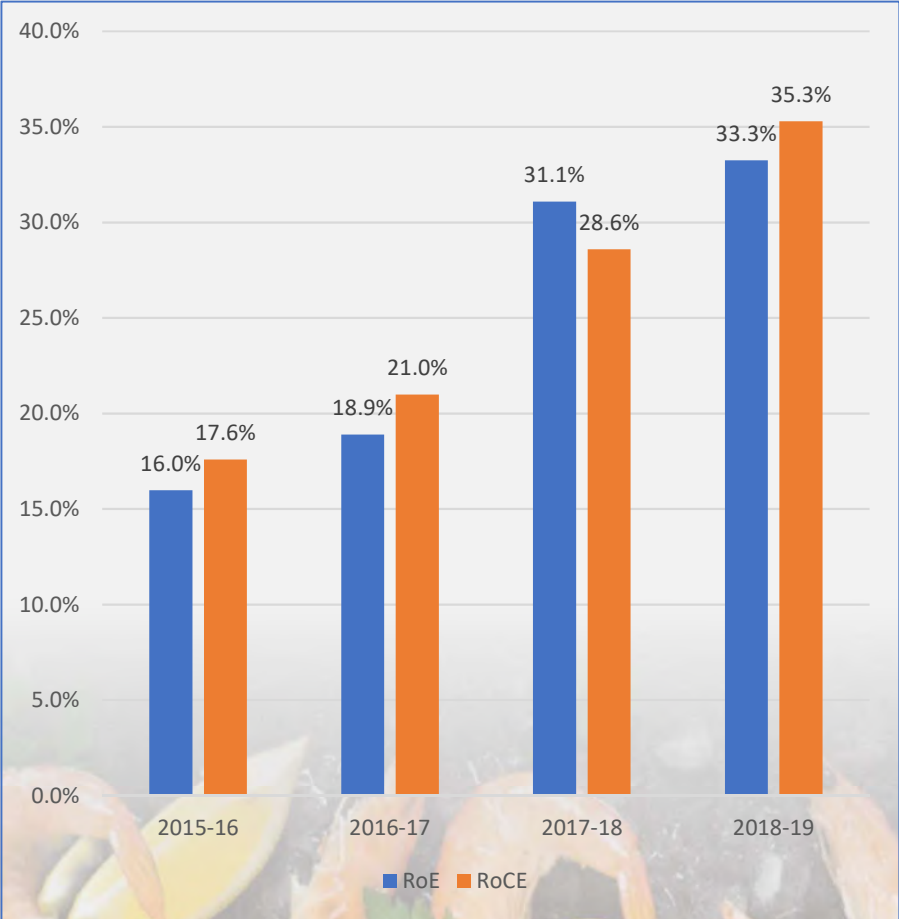
Standalone (Rs Million)	Q2FY2020	Q2FY2019	% yoy	Q1FY2020	% qoq	FY2019	FY2018	% yoy
Total Revenue	1,425	1,125	26.7	1,115	27.9	4,839	5,100	(5.1)
Raw Material Cost	1,210	820	47.6	916	32.1	3,921	4,453	(11.9)
Employee Cost	20	17	19.4	17	16.5	77	89	(13)
Other Expenses	20	24	(14.1)	10	105.6	59	46	28.4
EBIDTA	174	265	(34.2)	171	1.7	781	512	52.4
EBIDTA Margins (%)	12.2	23.5		15.4		16.1	10	
Depreciation & Amortization	8	9	(4.8)	8	5.7	32	30	7.1
Finance Cost	18	21	(13.3)	16	11.1	85	93	(8.9)
Profit Before Tax	148	235	(37.1)	147	0.5	664	389	70.6
Tax	19	83	(76.8)	52	(63.1)	236	139	70.2
Profit After Tax	129	152	(15.4)	95	35.4	428	251	70.8
PAT Margin (%)	9.0	14.2		8.5		8.8	4.9	
Diluted EPS (Rs)	12.7	14.2		9.6		41.9	98.3	

Healthy Leverage and Return Ratios

Leverage Position



Return Ratios



Balance Sheet (Consolidated)

(Rs Million)	2015-16	2016-17	2017-18	2018-19
Share Capital	25	25	25	102
Reserves & Surplus	398	488	738	1,033
Networth	423	514	764	1,135
Long Term Borrowings	0	11	9	4
Deferred Tax Liabilities	16	17	18	20
Other Non-Current Liabilities	35	48	44	24
Non-Current Liabilities	51	77	71	48
Short Term Borrowings	638	750	886	876
Trade Payables	162	354	431	440
Other Current Liabilities	30	45	156	260
Short Term Provisions	62	114	33	23
Current Liabilities	892	1,263	1,505	1,598
Total Liabilities	1,366	1,853	2,340	2,781

(Rs Million)	2015-16	2016-17	2017-18	2018-19
Net Block	349	321	450	442
Capital Work-In-Progress	0	6	0	24
Other Non-Current Assets	149	224	121	133
Deferred Tax Assets	0	0	0	0
Non-Current Assets	498	550	571	599
Inventories	431	619	789	1,148
Trade Receivables	282	412	508	323
Cash & Cash Equivalents	12	22	172	276
Other Financial Assets	136	243	10	11
Other Current Assets	7	7	290	424
Current Assets	869	1,303	1,769	2,182
Total Assets	1,366	1,853	2,340	2,781

Balance Sheet (Standalone)

(Rs Million)	2015-16	2016-17	2017-18	2018-19
Share Capital	25	25	25	102
Reserves & Surplus	412	542	800	1,146
Networth	438	567	826	1,248
Long Term Borrowings	0	11	9	2
Deferred Tax Liabilities	16	17	18	20
Other Non-Current Liabilities	35	48	34	23
Non-Current Liabilities	51	77	60	45
Short Term Borrowings	638	750	845	835
Trade Payables	150	277	271	152
Other Current Liabilities	27	43	156	254
Short Term Provisions	62	114	30	22
Current Liabilities	877	1,183	1,303	1,263
Total Liabilities	1,366	1,827	2,188	2,556

(Rs Million)	2015-16	2016-17	2017-18	2018-19
Net Block	343	314	441	435
Capital Work-In-Progress	0	6	0	24
Other Non-Current Assets	159	234	267	357
Deferred Tax Assets	0	0	0	0
Non-Current Assets	503	554	708	816
Inventories	289	496	458	826
Trade Receivables	413	456	486	51
Cash & Cash Equivalents	8	6	67	72
Other Financial Assets	134	239	107	205
Other Current Assets	19	75	363	585
Current Assets	864	1,273	1,480	1,740
Total Assets	1,366	1,827	2,188	2,556

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of the Presentation. This Presentation may not be all inclusive and may not contain all the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation.

Thank You

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