

14th September 2016

Bombay Stock Exchange Ltd.,
1st Floor New Trading Ring
Rotimda Building
P.J.Towers, Dalal Street, Fort,
MUMBAI - 400 001

National Stock exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra Kurla Complex, Bandra (E)
MUMBAI - 400 0051

Scrip Code : 532899

Scrip Code : KSCL

Dear Sir,

Sub : Presentation: Kaveri Seed Q1 & FY 2017 Results Announced on 14th September, 2016 - Reg.

Please find attached herewith Presentation of Kaveri Seed Company Limited Q1 & FY 2017 Result announced on 14th September, 2016. The same was displayed at our Company's website at www.kaveriseeds.in

This is for your kind information and record.

Thanking you,

Yours faithfully,
For KAVERI SEED COMPANY LIMITED



C.MITHUN CHAND
WHOLE TIME DIRECTOR

Encls: a/a.



Kaveri Seed Company Limited

**Results Presentation
Q1 FY17**

Safe Harbour

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. **Kaveri Seed Company Limited** will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



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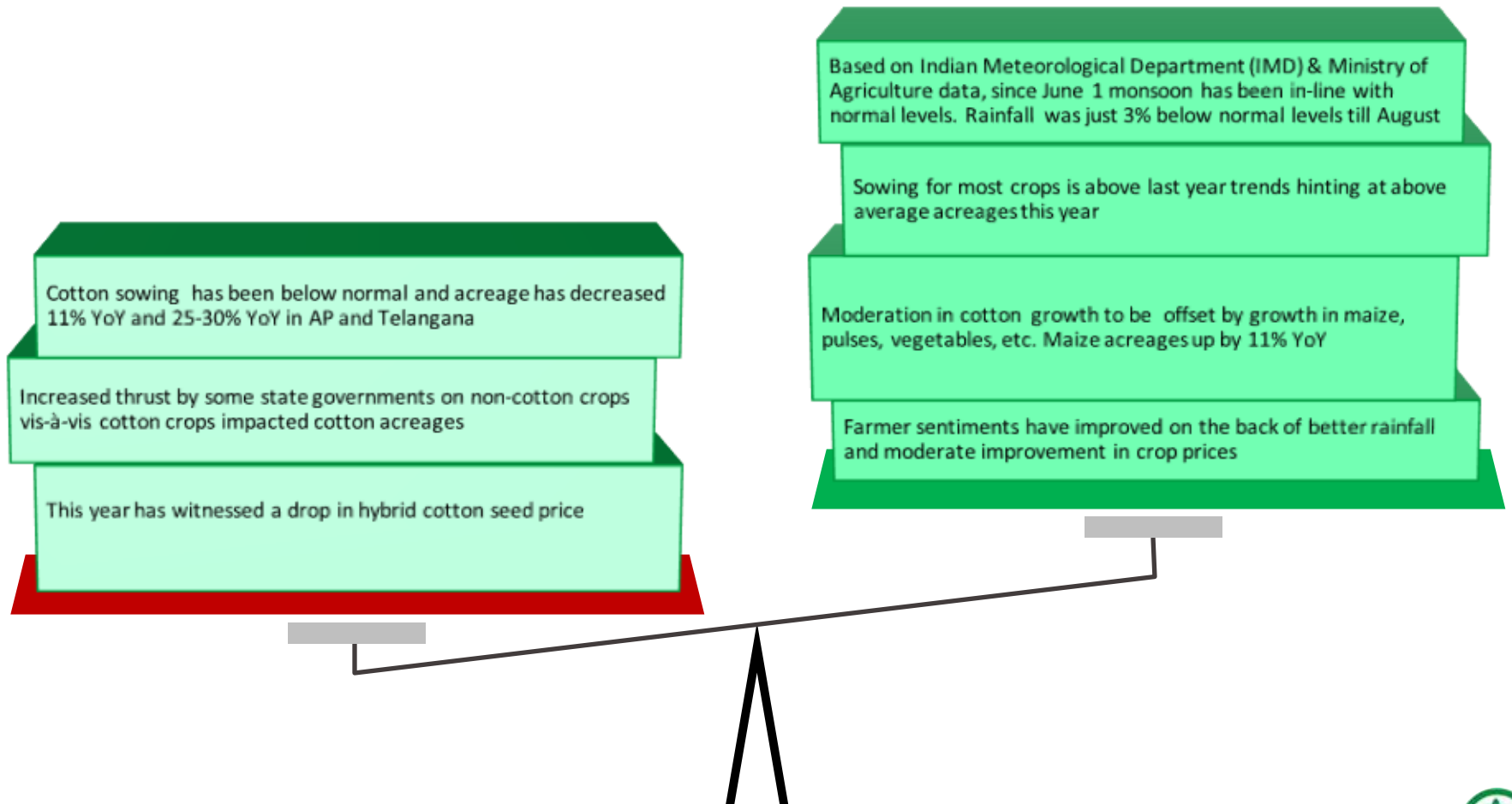
Appendix



Quarterly Performance & Outlook



Industry Backdrop



Ind-AS Reconciliation

- Reconciliation between the profits as reported earlier and the Ind AS recast profits for the quarter ended June 30, 2015

Particulars	Rs (in Lakhs)
Net Profit reported for the quarter ended June 30, 2015 (published)	22,118.08
(i) Recognition of Biological assets	(163.42)
(ii) Restatement of Grant and Subsidies	(0.58)
(iii) Fair value adjustment of Financial Assets	(3.12)
(iv) Tax on above adjustments	(38.01)
Net profit recast to Ind AS for the quarter ended June 30, 2015	21,912.95

- Amount of "Sales Schemes" earlier grouped under "Other Expenses" representing amounts in the nature of discounts and rebates, now have been reduced from Net Sales as a result of Ind-AS adjustment for quarters ended June 30, 2016 and June 30, 2015. Schemes & incentives which typically would form 18-20% of Revenues would as per Ind-AS not form part of Revenues
- The Company has valued financial assets (other than investments in subsidiaries which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognized in opening reserves and changes thereafter are recognized in Profit and Loss account or Other Comprehensive Income, as the case may be
- Minor impact on depreciation due to change in computation of asset life
- In line with Ind-AS recommendation Company has reported Standalone results



Q1 FY17 Performance Review

Revenues declined primarily due to reduction in hybrid cotton seed price along with moderation in cotton seed volumes. The selling price of hybrid cotton seed has been reduced as per the CSPCO (Cotton Seeds Price Control Order) 2015 and Price Notification issued by Ministry of Agriculture.

Profitability impacted by :

- In FY16, the Company based on notifications of various state governments, the royalty was short provided by Rs. 65.5 crore. The same had been included in contingent liability
- Increase in depreciation on account of commissioning of new facility at Molangoor, Karimnagar

Rs. lakhs	Q1 FY17	Q1 FY16	Growth (%)
Net Sales	49,397.42	53,936.70	(8.42)
Total Income	49,397.42	53,936.70	(8.42)
Cost of Production	27,452.71	25,058.07	9.56
Gross Profit	21,944.71	28,878.63	(24.01)
Gross Margin (%)	44.42%	53.54%	
Employee cost	1,074.84	622.66	72.62
Other Expenses	5,043.90	5,691.78	(11.38)
Other Income	543.86	208.54	160.79
EBITDA	16,369.83	22,772.73	(28.12)
EBITDA Margin (%)	33.14%	42.22%	
Depreciation	779.87	520.63	49.79
Finance cost	1.52	1.14	33.58
PBT	15,588.44	22,250.96	(29.94)
PAT	15,436.89	21,912.95	(29.55)
PAT Margin	31.25%	40.63%	



Cash investments as on 30 June 2016

Rs.in Lakhs

Fund House	Liquid	Liquid Plus	Arbitrage	FMPs	Short Term	NCDs	Medium Term	Total
HDFC	7,519	5,000						12,519
Tata					700			700
Birla		2,500			2,865			5,365
Reliance							2,800	2,800
ICICI		1,4,005						14,005
SBI				1,000				1,000
Kotak		12,490						12,490
DSP Blackrock				1,000				1,000
UTI	1,000				500			1,500
Total	8,519	33,995	0	2,000	4,065	0	2,800	51,379

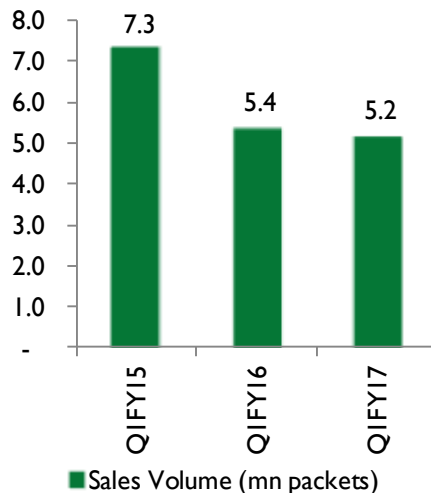


Q1 FY17 Operational Highlights

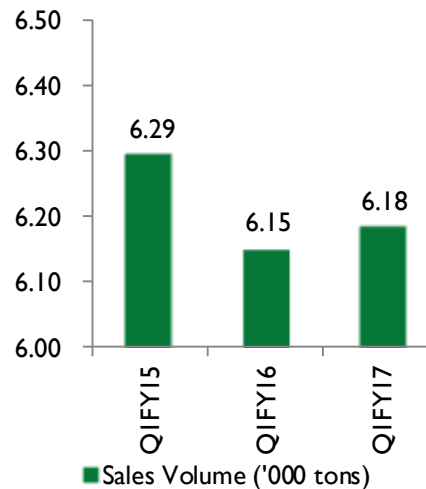
- While overall cotton seed volumes in India declined by 15% YoY, Kaveri volumes moderated by just 4%
 - Gained cotton seed market share across states including AP and Telangana
 - More than 30% YoY improvement in Maharashtra volumes; more than 20% YoY improvement in Madhya Pradesh & Rajasthan volumes
- Full year guidance for cotton seed stands at 5.4 mn packets
- In Q1FY17, Maize volumes grew substantially by over 50% YoY
- Non – cotton business to grow at over 15% YoY
- Offtake across crops has been strong, hence the percentage of returns vis-à-vis previous years is expected to be lower

- 3 new cotton hybrids under demonstrations with farmers
- 3 new hybrids launched in maize for kharif season
- 3 new hybrids launched in pearl millet
- 1 new hybrid launched in hybrid rice and research rice each
- 1 new hybrid launched in Sunflower
- Vegetable segment gaining traction

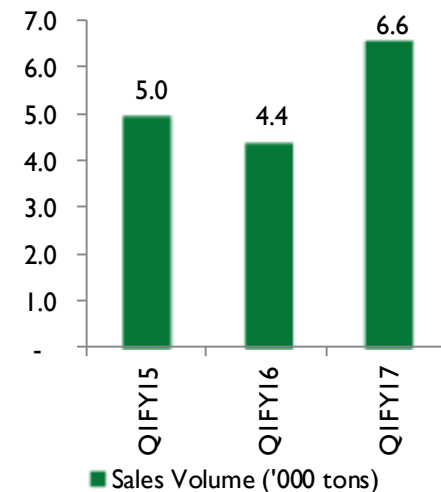
Cotton seed volumes



Rice seed volumes



Maize seed volumes



*includes hybrid & research



Other Highlights

- Appointed leading auditors M. Bhaskara Rao & Co as internal auditors
- Formed committee and also appointed consultants to revisit and redraft SOPs in line with Company's growth plans



Growth Strategy

Industry Trends

- The Surge for Food - Increasing demand for food and agri products
- Increasing hybridisation - higher acceptance of Commercial Seeds
- Favourable government policies
- Seed Replacement Rate
- Cotton Seed: The White Gold
 - High Density Planting (HDP)
 - Mechanical Harvesting
- Maize & vegetables : High demand
- Rice: Higher under-penetration

Market Network

- Reinforce cotton leadership in Andhra Pradesh, Telangana and Karnataka
- Deepen cotton penetration in Maharashtra and Gujarat
- Focused on strengthening distribution network beyond South and Central India, to northern, eastern and western geographies
- Sustain strong momentum in new markets such as Chhattisgarh, Jharkhand, West Bengal and Odisha
- Explore attractive export markets
- Establish market network for vegetables

Products

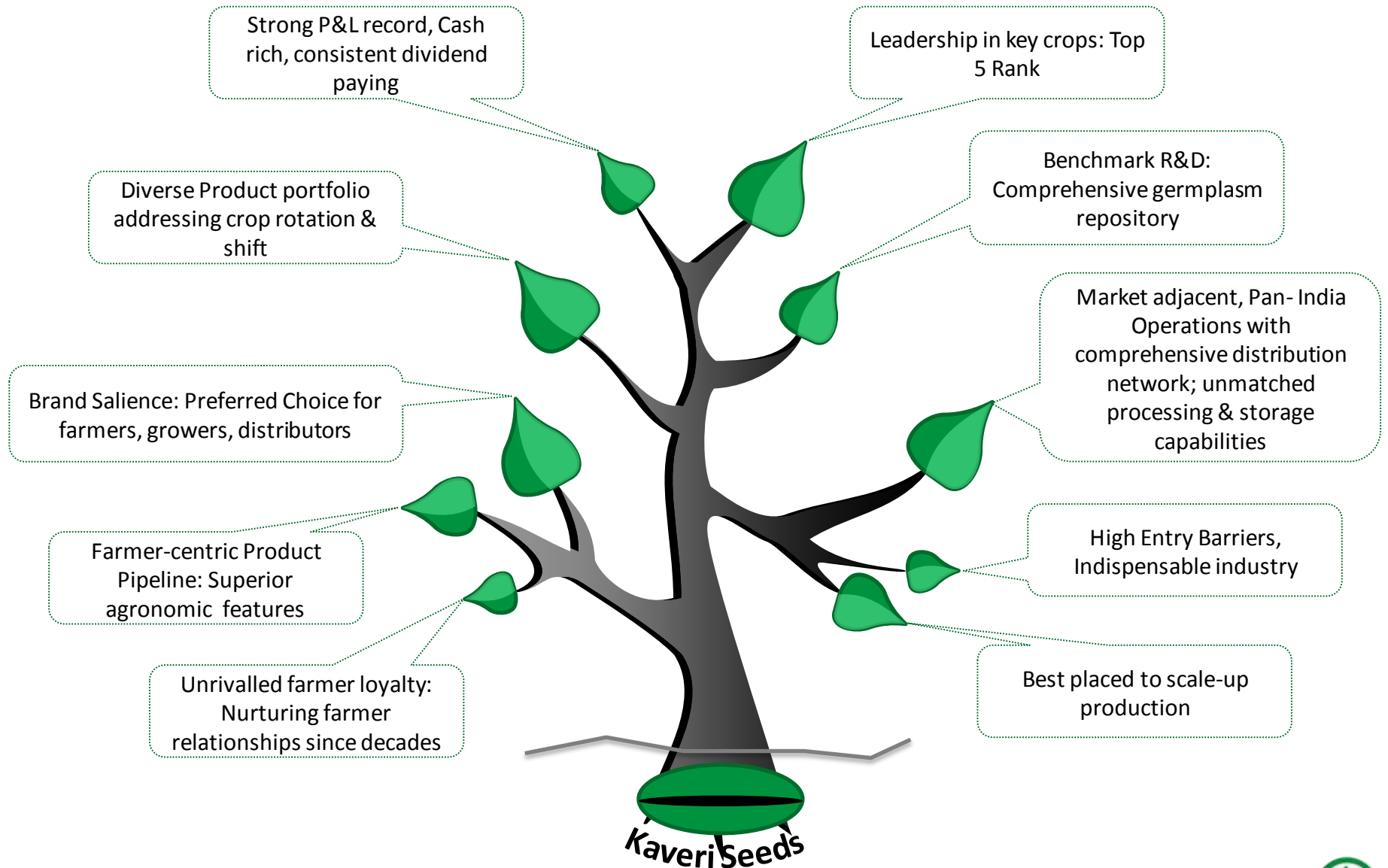
- Ramp up of newly launched products
- Over the next 3-5 years, introduce new products in cotton, maize, pearl millet and paddy
- Expand product offering in vegetables
- Developing farmer-centric product pipeline for future
- Farmer acknowledged performance of products like Jadoo, ATM, etc. has provided visibility for medium to long term growth



Business Overview

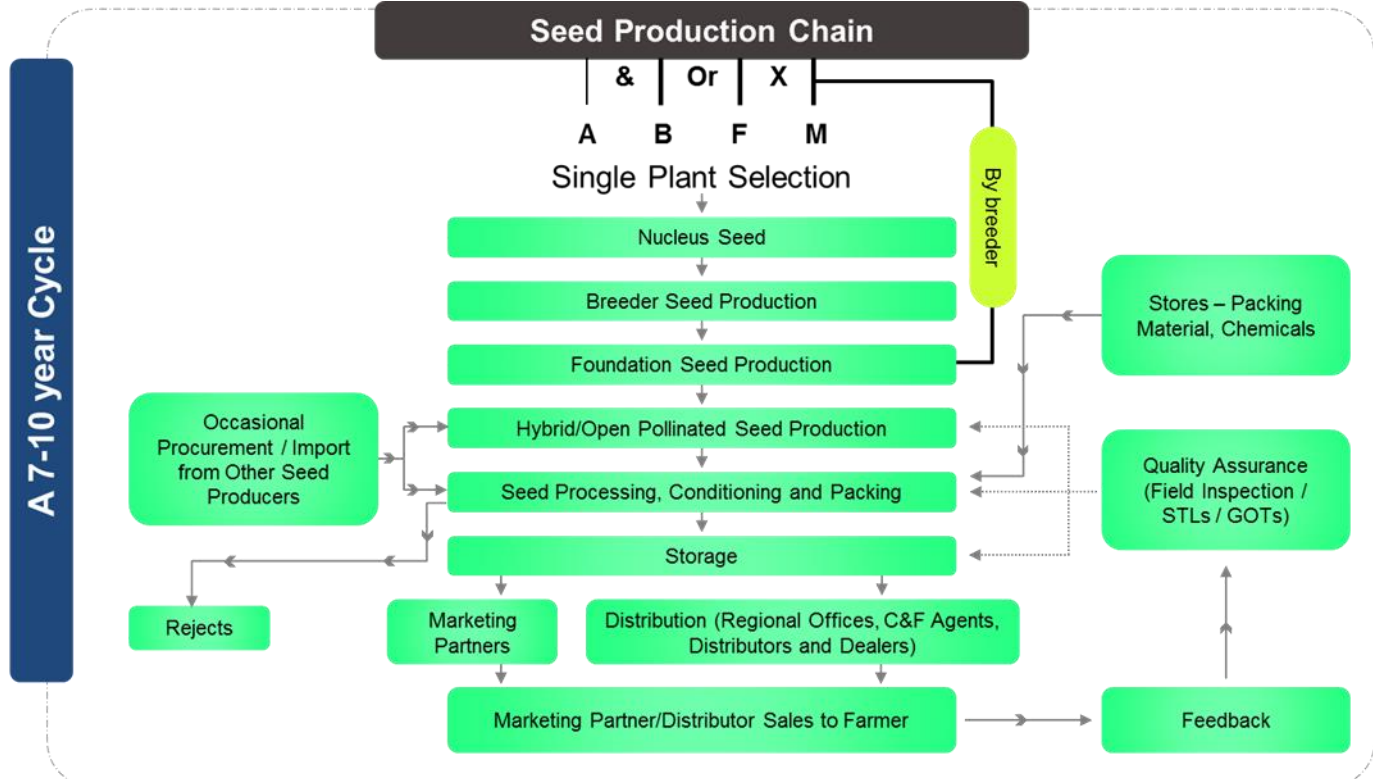
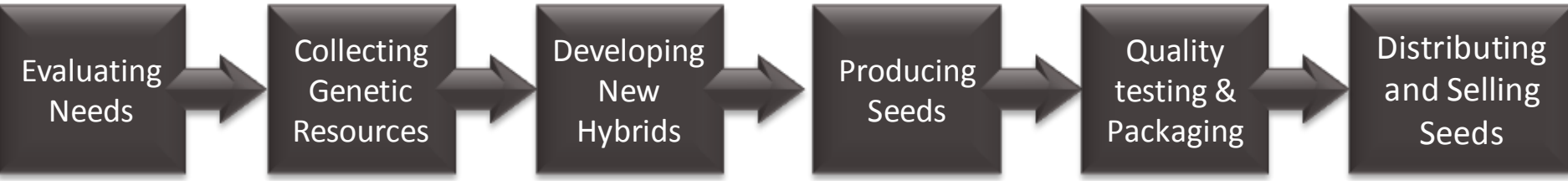


The Kaveri Moat : Seeding Profitable Growth



Complete control over all stages of Product Cycle

- A 7-10 year cycle
- Seed production undertaken post comprehensive market trialing
- Practice benchmark production regimen throughout the cycle – Grower/ Breeder to Farmer



High Entry Barriers: Brand Equity Paramount

- Need for high investments in R&D for seeds
- Lead time from R&D to commercial launch is 7-8 years
- Requirement of a wide distribution network across India for a diverse portfolio of seeds considering the varied agro-climatic conditions across India
- A complex process of developing an effective hybrid (key skills required to choose the right kind of lines)

- Need for high degree of credibility with farmers
- Farmers will not jeopardize their years' worth of income and land arability on unestablished company seeds



Leadership product portfolio

Top 5 rank in key crop segments

Crops	Kaveri Market Share (%) in FY16
Cotton	13
Maize	9
*Rice	6
Pearl millet	10
Sunflower	28

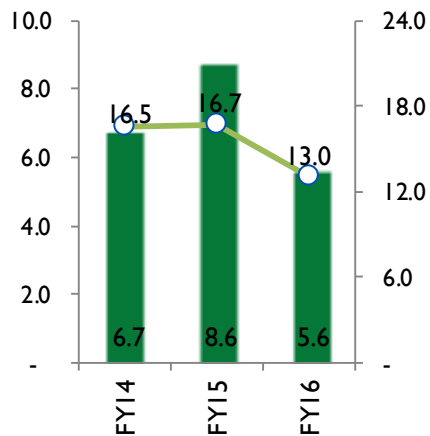
*includes hybrid & research

Kaveri's cotton seed volume break-up

(mn packets)	FY14	FY15	FY16
AP & Telangana	4.40	5.42	3.42
Maharashtra	1.06	1.33	1.12
Karnataka	0.66	1.26	0.45
Gujarat	0.14	0.16	0.25
Madhya Pradesh	0.19	0.16	0.16
Others	0.25	0.29	0.18
All India	6.70	8.63	5.59

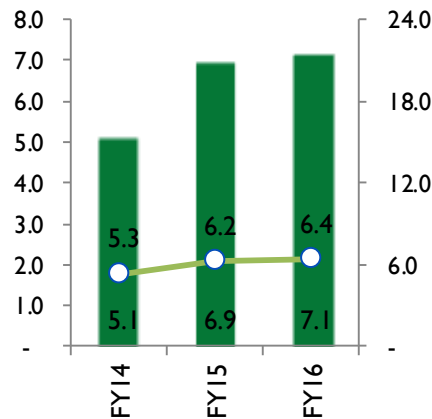
- Kaveri is amongst the top three seeds companies in the cotton and sunflower segments, and top five in the maize, paddy and pearl millet segments
- Combined, these crops account for more than 90% of revenues of the Indian hybrid seed industry

Cotton seed



█ Sales Volume (m packets - LHS)
○ Market Share (% - RHS)

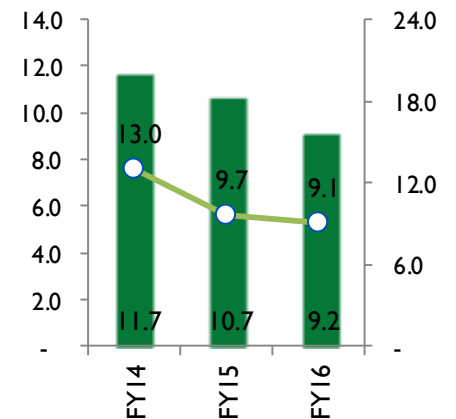
*Rice seed



█ Sales Volume ('000 tons - LHS)
○ Market Share (% - RHS)

*includes hybrid & research

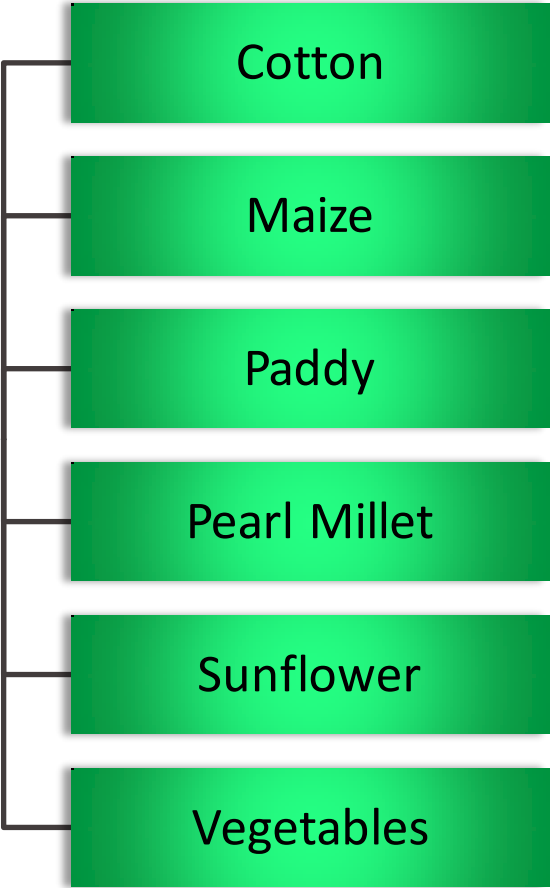
Maize seed



█ Sales Volume ('000 tons - LHS)
○ Market Share (% - RHS)



Diversified Product Portfolio



Wider acceptance of key products in the market place leading to significant increase in revenues

Market oriented & need focused breeding programs resulting in highly successful product portfolio

Access to a wide range of products owing to the well-established R&D set-up

Capability to produce over 100 high quality hybrid seeds across commercial crops, food crops and vegetables

High value premium hybrids of field and vegetable crops

High brand recall across product segments in farming community



One of the Largest Pools Of Germplasm in India

- Significant investments in the last five years for strengthening R&D
- Developed proprietary germplasm and Hybrids
- Over 600 acres of dedicated research farms with varying agro-climatic conditions
 - State-of-the-art Biotech, Quality check and seed technology labs
 - Cold / DH storage for germplasm
- Multi-location breeding and trial stations
- Strong and highly motivated R&D team about 100 personnel, including more than 20 scientists
 - Conjunct use of Bio and hybrid technologies in product development
 - Deployment of frontier technologies – Doubled haploid breeding, MAS (Marker Aided Selection), MARS (Marker Assisted Recurrent Selection), RGA (Rapid Generation Advance), Inbred pool-heterotic bins, MPS (Multi-parent synthetics) and MAGIC (Multi-parent Advanced Generation Inter-cross populations)
- Research and Development facility recognized by Department of Science & Technology, Government of India
- Partnering with ICRISAT, Melinda Gates Foundation's Harvest Plus program, IRRI's Hybrid Rice Development Consortium, CIMMYT and USDA program on Heat Tolerant Maize for Asia (HTMA) and DBT's Biotechnology Industry Research Assistance Program (BIRAP)
- Collaboration with NARS (National Agricultural Research System) Institutes and All India coordinated crop improvement programs of ICAR

Seed is most critical to output for a farmer: Performance ensures premium, repurchase



Best-in-class, Market adjacent, Scalable Operations



Strong Brand Equity in farming community

- Large production area across India with a loyal 'producer farmer' network
 - ~ 100,000 production growers across 12 different agro-climatic zones
 - ~ 65,000 acres under seed production
- High credibility with the farmers
- Focused programmes to spread awareness amongst farming community on new products in market

Amongst The Largest Processing Capacities

- 7 Company owned plants across key locations in India with a combined processing capacity of ~ 130 tonnes per hour
- Modern equipment for pre-cleaning, grading, cob drying, storage, packing
- Maize cob drying facility with a capacity of 2,900 tonnes per cycle
- Green houses for screening, uniform blast nursery for disease/pest screening
- Cotton delinting facility

Strong Warehouse Capabilities

- Warehouses across India with combined storage space of ~500,000 sqft
- Dehumidified, climate-controlled storage facilities
- Storage godowns of ~135,000 sqft. (cold) and ~280,000 sqft. (ambient) with holding capacity of ~25,000 MT

Pan India Presence

- Network of more than 15,000 direct/indirect distributors across the country
- ~350 highly motivated marketing professionals on a pan India basis
- Outreach centers are a key ingredient of expanding operations serving as feedback/marketing centers gauging farmer needs and educating them to grow the product in best usage techniques



Investor Contacts

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Thank you
