



14th December 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 Q2 & FY 2017 Results Announced on
13th December 2016 - Reg.***

Please find attached herewith Presentation of Kaveri Seed Company Limited Q2 & FY 2017 Result Announced on 13th December 2016. The same was displayed at our company's website : 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 - Q2 & H1 FY17



kaveri seeds®





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.



1

Quarterly Performance & Outlook

2

Business Overview

3

Appendix



Quarterly Performance & Outlook

Industry Backdrop



Cotton sowing has been below normal and overall acreage has decreased 12% YoY ; 29% YoY in AP and 27% YoY in Telangana

Increased thrust by some state governments on non-cotton crops vis-à-vis cotton crops impacted cotton acreages in FY17

Start of this year witnessed a drop in hybrid cotton seed price

Northeast monsoons below normal

Demonetization has impacted varietal business like wheat since farmers used saved seed

FY18 Cotton tailwinds

- Extended Cotton season due to surplus rains in last 2 weeks of September in Central and South India- enabled improvement in farmer income with additional pickings
- No severe incidence of pest reported in cotton
- Cotton yields projected to be higher by 10-12% YoY
- Cotton prices have risen sharply
- Cotton seed production projected to be better than last year both in terms of quantity and quality
- Pulses and Soyabean prices have dropped, which will lead to increased sowing for cotton & maize in the upcoming year

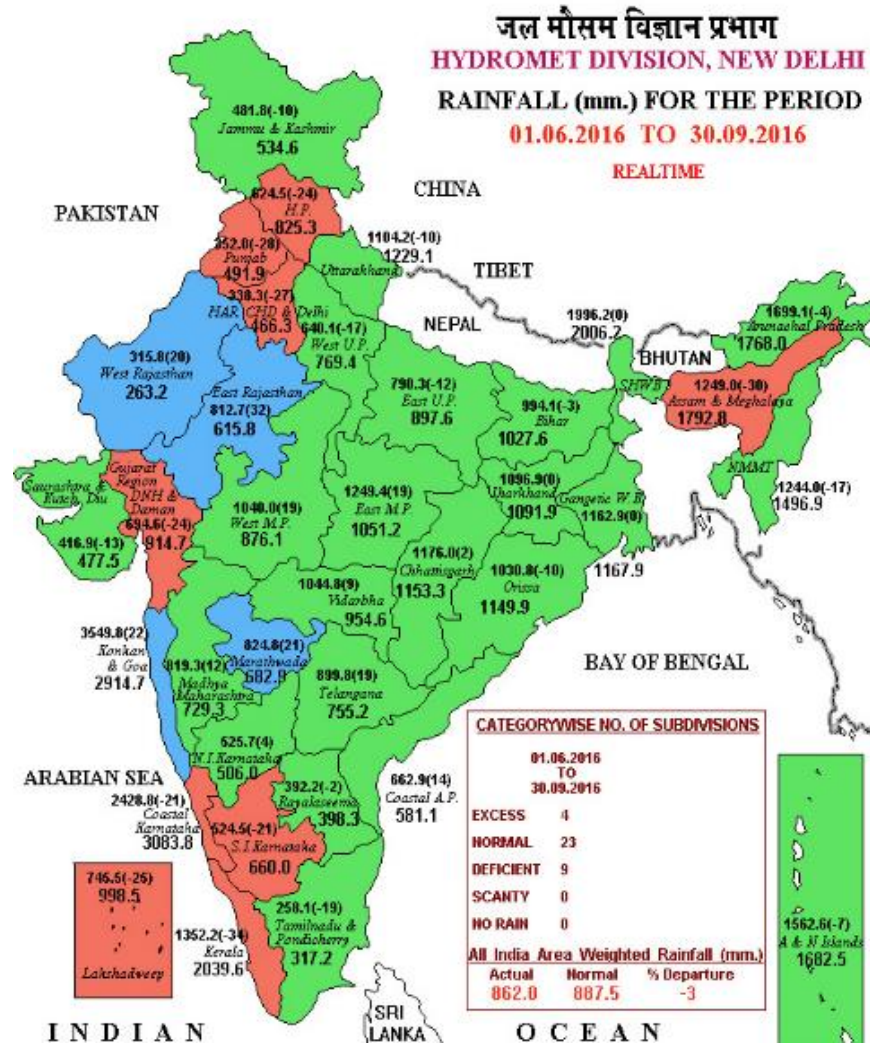
Moderation in cotton growth in FY17 to be offset by growth in maize, pulses, vegetables, etc. Maize acreages up by 9% YoY

As on date, Rabi acreage up by 7% and maize acreage up 4% YoY

Organized players to gain market share as banking transaction increases

- Seed company receivables unaffected for this season. Steady payments from distributors since seed sales, especially cotton, typically happen in early June
- Hybrid seed business was relatively unaffected

Industry Backdrop - Rainfall



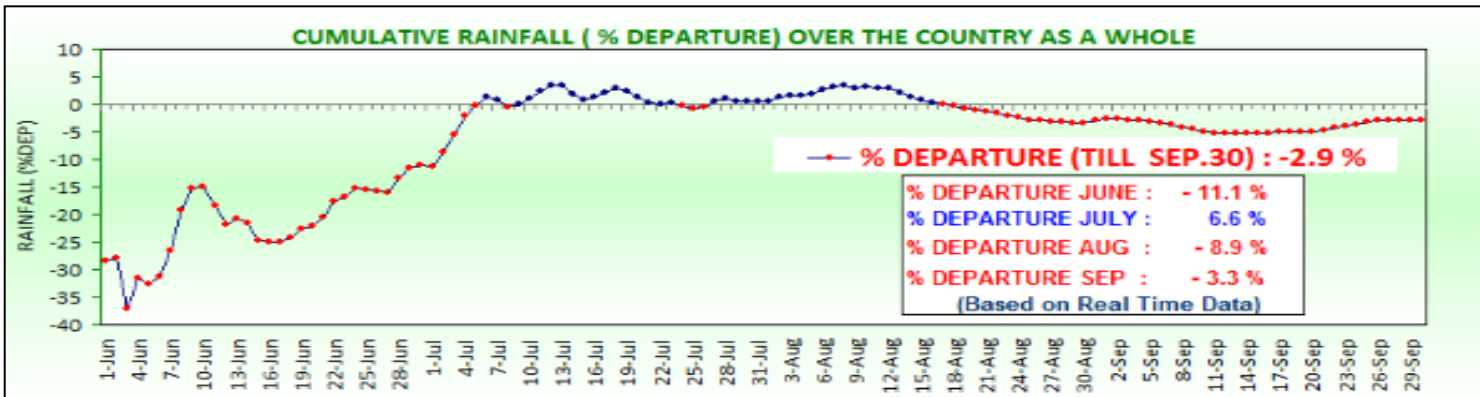
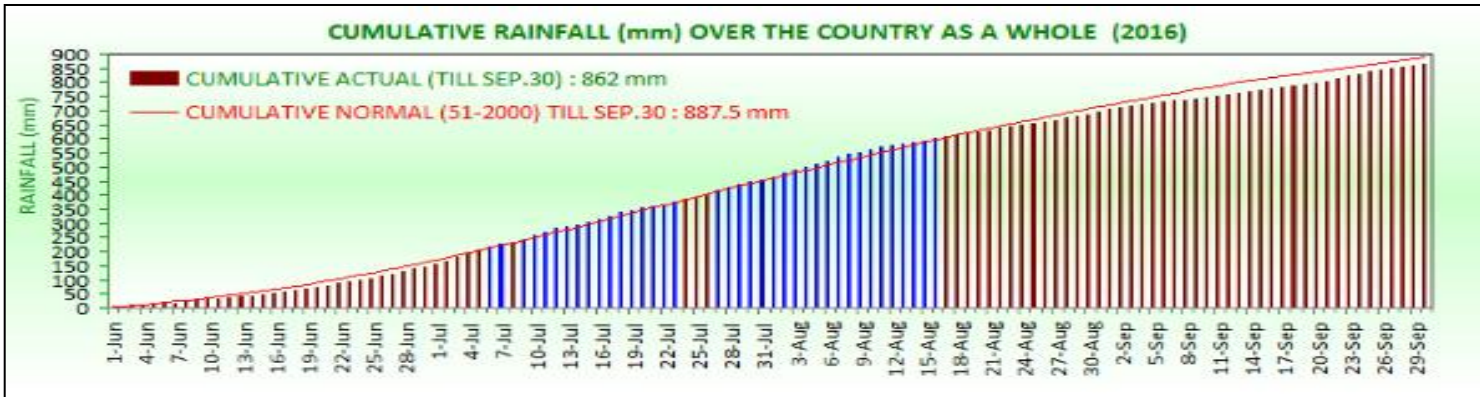
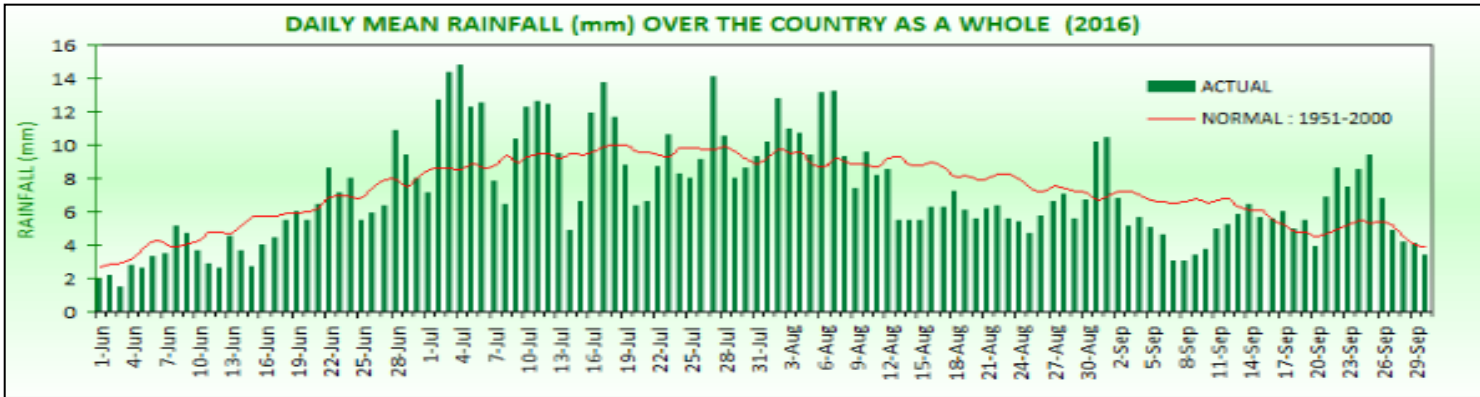
LEGEND: ■ EXCESS (+20% OR MORE) ■ NORMAL (+19% TO -19%) ■ DEFICIENT (-20% TO -59%)
■ SCANTY (-60% TO -99%) ■ NO RAIN (-100%) NO DATA

NOTES:

- [a] Rainfall figures are based on operational data.
- [b] Small figures indicate actual rainfall (mm.), while bold figures indicate Normal rainfall (mm.)
 Percentage Departures of Rainfall are shown in Brackets.

Source: IMD

Industry Backdrop - Rainfall



Source: IMD

Industry Backdrop – Commodity Prices



Cotton

Rs. Per Quintal	Dec. 2016	Dec. 2015	Change %
Andhra Pradesh	4,932.17	4,101.95	20.2
Gujarat	4,983.15	4,457.65	11.8
Karnataka	5,380.60	4,646.98	15.8
Madhya Pradesh	5,022.62	4,388.88	14.4
Maharashtra	4,976.51	4,372.13	13.8
Telangana	4,894.89	4,038.20	21.2

Source: AGMARKNET

Ind-AS Reconciliation



Reconciliation between the profits as reported earlier and the Ind AS recast profits for the quarter and half year ended September 30, 2015

Particulars	Q2 FY16 Rs (in Lakhs)	H1 FY16 Rs (in Lakhs)
Net Profit reported as per IGAAP	(4,675.25)	17,442.83
(i) Recognition of Biological assets	57.43	(105.99)
(ii) Restatement of Grant and Subsidies	(0.56)	(1.14)
(iii) Fair value adjustment of Financial Assets	(0.38)	(3.50)
(iv) Tax on above adjustments	55.90	17.88
(v) Profit on sale of Investments	(254.97)	(254.97)
Net profit recast to Ind AS	(4,817.83)	17,095.11

Amount of "Sales Schemes" grouped under "Other Expenses" in S.No:2(f) above, representing amounts in the nature of discounts and rebates, have been reduced from Net Sales in S.No:1(a) as a result of Ind-AS adjustment for the quarters ended 30.09.2016, 30.06.2016, 30.09.2015 and for the half years ended 30.09.2016 and 30.09.2015. The said adjustment has not been carried out for year end figures of March 31,2016 which has been disclosed in accordance with accounting standards notified under the Companies(Accounting Standards). 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

Q2 & H1 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, short provided the royalty 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
- Investment portfolio changed from short-term to medium-term has resulted in higher other income
- Employee cost to normalize going forward

Rs. lakhs	H1 FY17	H1 FY16	Growth (%)	Q2 FY17	Q2 FY16	Growth (%)
Net Sales	56,173.85	60,566.84	(7.25)	6,776.43	6,630.14	2.21
Total Income	56,173.85	60,566.84	(7.25)	6,776.43	6,630.14	2.21
Cost of Production	31,574.18	33,555.88	(5.91)	4,121.47	8,497.81	(51.50)
Gross Profit	24,599.67	27,010.96	(8.93)	2,654.96	(1,867.67)	
Gross Margin (%)	43.79	44.60		39.18	-	
Employee cost	1,859.54	1,280.80	45.19	784.70	658.14	19.23
Other Expenses	6,576.61	7,627.17	(13.77)	1,532.71	1,935.38	(20.81)
Other income	2,248.56	501.29	348.55	1,704.70	292.74	482.33
EBITDA	18,412.09	18,604.28	(1.03)	2,042.25	(4,168.45)	
EBITDA Margin (%)	32.78	30.72		30.14	-	
Depreciation	1,504.39	1,047.90	43.56	724.51	527.27	37.4
Finance Cost	3.72	9.15	(59.34)	2.20	8.01	(72.53)
PBT	16,903.98	17,547.23	(3.67)	1,315.54	(4,703.73)	
PAT	16,211.35	17,095.11	(5.17)	774.45	(4,817.83)	
PAT Margin	28.86	28.23%		11.43	-	

Consolidated Balance Sheet Summary



Rs. lakhs	As on Sep. 30, 2016	As on Sep. 30, 2015
Shareholders Fund	110,924.63	94,998.69
Long-term Debt	163.86	163.86
Asset Turnover (times)	0.39	0.47
Current Assets / Current Liabilities (times)	3.8	3.17

Total cash on books of Rs . 542.94 crore as on 30 Sep., 2016

Excellent Working Capital Management

Rs. lakhs	As on Sep. 30, 2016	As on Sep. 30, 2015
Inventories	34,703.79	34,133.56
Trade Receivables	25,017.57	31,170.10
Trade Payables	17,969.25	14,050.86
Other current liabilities	5,789.37	4,856.57
Non Cash Net Current Assets (No. of Revenue Days)	233.67	279.60

Significant reduction in trade receivables

Cash investments as on 30 September 2016



Rs.in Lakhs

Fund House	Liquid	Liquid Plus	Arbitrage	FMPs	Short Term	NCDs	Medium Term	Total
HDFC		5,000					3,500	8,500
Tata					700			700
Birla					2,865		6,500	9,365
Reliance		2,800					5,500	8,300
ICICI		4,869					7,703	12,572
SBI					1,000			1,000
Kotak		3,309					4,000	7,309
DSP Blackrock				1,000				1,000
UTI	1,000				1,780			2,780
IDFC					550		1,100	1,650
Total	1,000	15,978	0	1,000	6,895	0	28,303	53,176

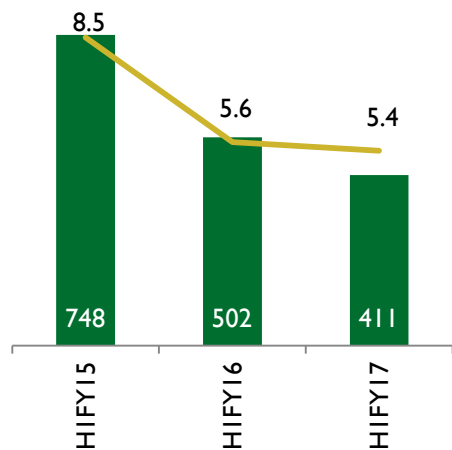
Q2 & H1 FY17 Operational Highlights



- 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
- In H1 FY17, maize volumes grew by over 29% YoY
- Stock returns of field crops lower by approximately 35% for Kharif season as compared to last Kharif season
- Contribution of non-cotton crops to grow up

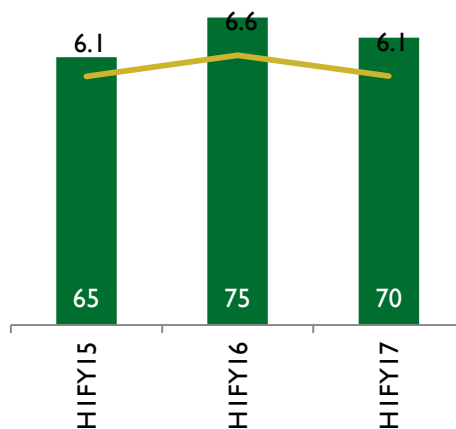
- Jaadoo and ATM performance continues to be better than competition
- 3 new cotton hybrids under demonstrations with farmers
 - 1 hybrid to scale up in FY18
- 3 new hybrids launched in maize for Kharif season
 - 1 hybrid to scale up in FY18
 - 2 new hybrids to be launched in upcoming Kharif
- 3 new hybrids launched in pearl millet
 - Scale up of all 3 hybrids
- 1 new hybrid launched in hybrid rice and research rice each
 - Both to be scaled up in upcoming Kharif
 - 1 new hybrid and 2 new research variety to be launched

Cotton seed revenue & volumes

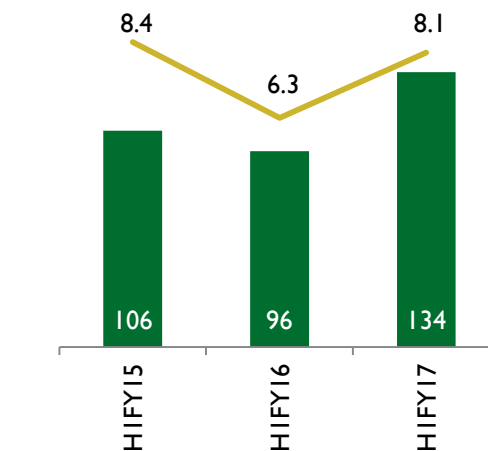


Rice seed revenue & volumes

**includes hybrid & research*



Maize seed revenue & volumes



Gross level revenues shown to enable comparison with previous years



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

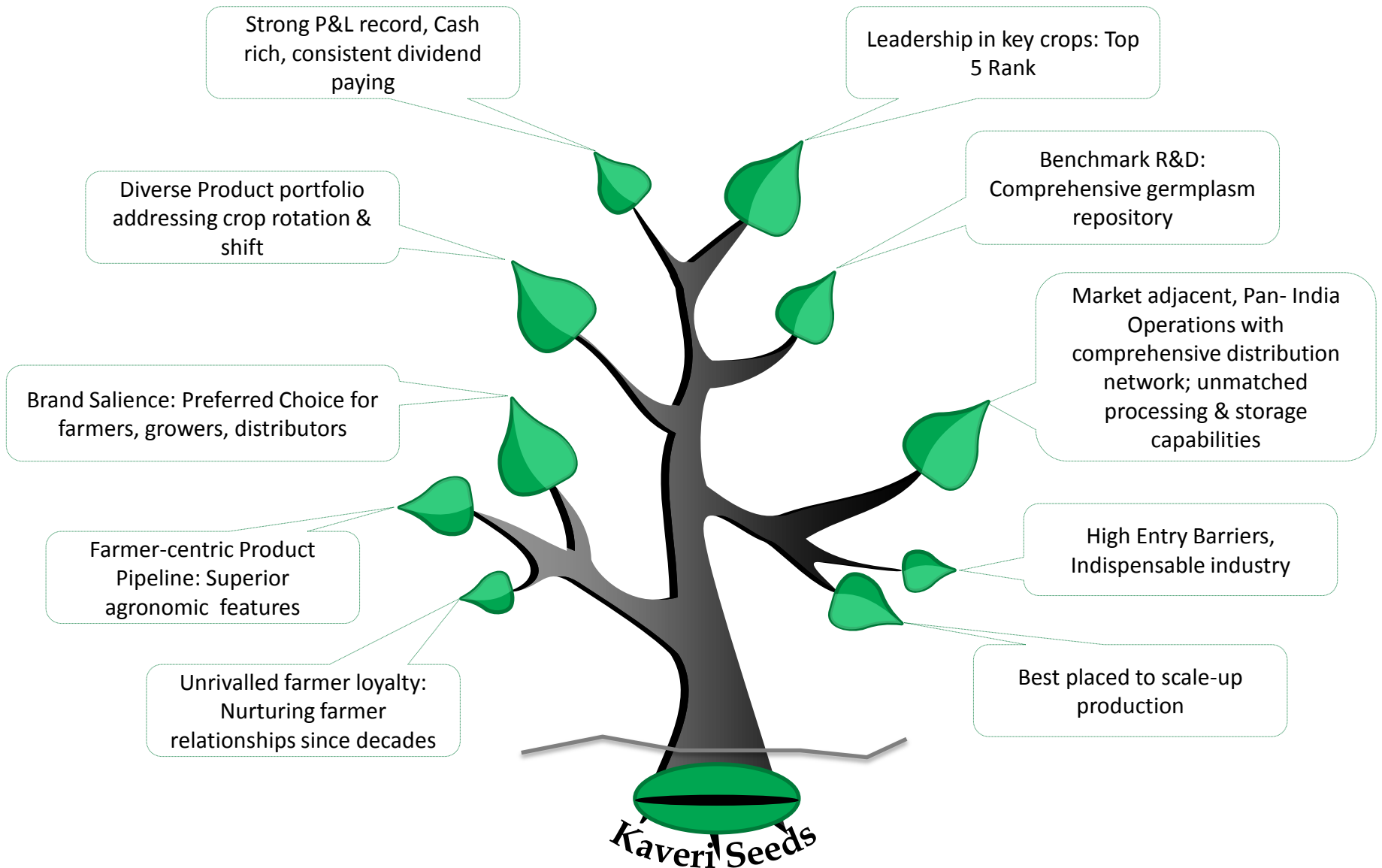
Products

- 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



With consistent performance in all functional areas of the Company, our endeavour is to make Kaveri a benchmark seed company with the best of research, innovation and product development.

Our Vision



Our Mission



To realise our vision, every member at kaveri will adopt consequential values of the Company and inculcate sustainable business practices. In our endeavour to reach the goal, team Kaveri would uphold all brand promises to its stakeholders.

We are serving Indian farmer consistently to improve their crop yields ever since inception. We have developed enduring relationships with farmers across India; and our 'Kaveri Seeds' brand enjoys wide reputation and loyalty, owing to our product range and quality commitment.

Our Reputation



Our Expertise



We have over three decades of experience in application of the science of genetics and principles of plant breeding in the evolution of crop hybrids, quality seed production, conditioning and processing and in building extensive distribution network with strong farmer relationship.

Relevant facts



30+ Years

Rich experience in Indian seed industry

Around

65,000 acres

Seed production across different agro-climatic centres

775+

Team strength

~ 100_{MT}/hour

Total average throughput

8_{MT}/day

Ginning capacity

100+

Developed high-quality hybrid and varieties across field crops and vegetables

1,00,000+

Loyal production growers

213

Number of filings to date

14,000_{MT}

Total cold storage capacity

7

State-of-the-art seed technology, processing and storage plants

15,000+

Point of sale across 15 key states in India

87

Registrations

2,900_{MT}

State-of-the-art seed technology, processing and storage plants

3rd

Largest producer of hybrid cotton seeds in India

6,00,000 sqft

Cumulative warehouse space at multiple strategic location across India

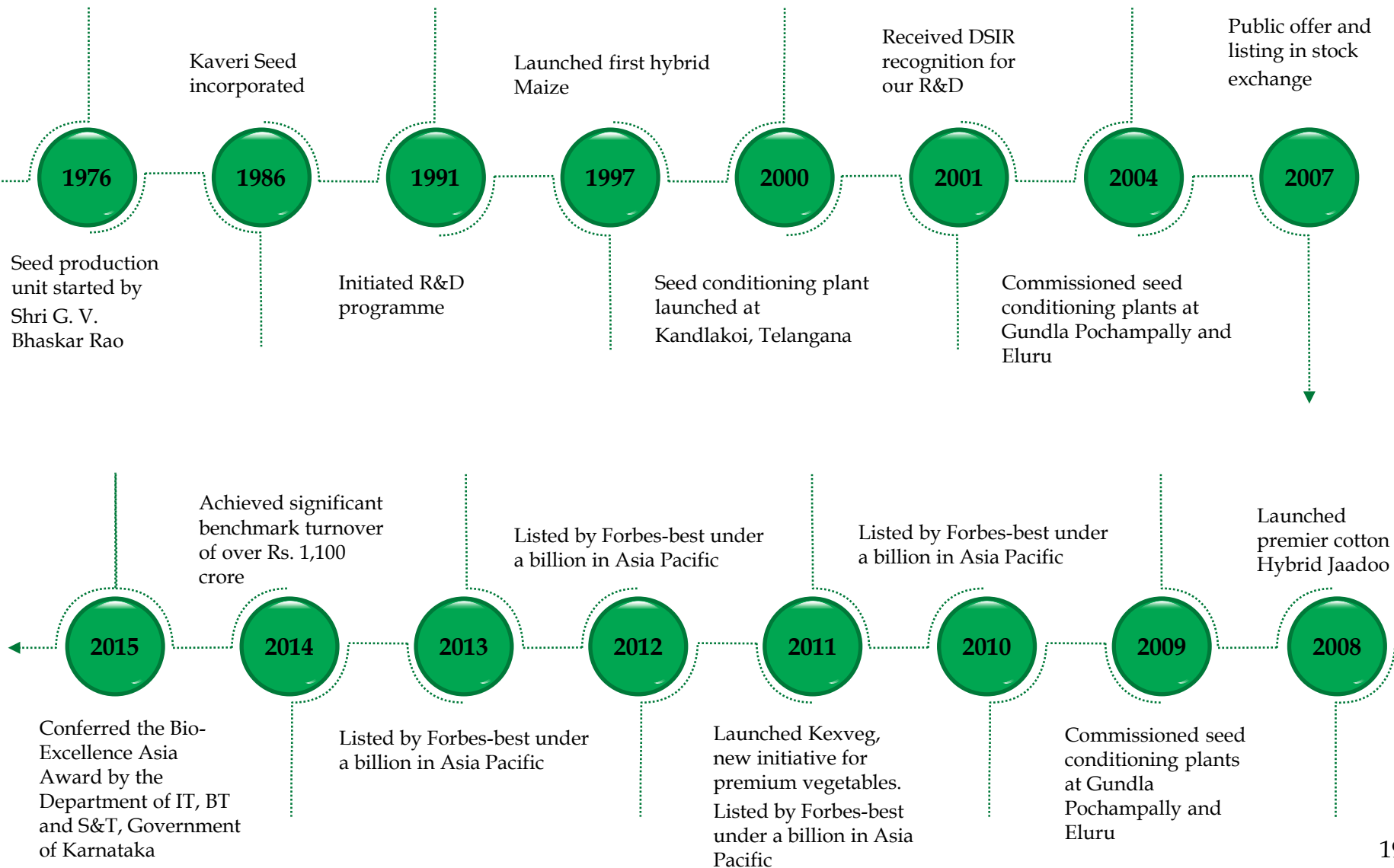
70+

Outreach trial centres

16_{MT}/day

Environment-friendly cotton delinting capacity

Progress Down The Years



Diversified Seed Portfolio



FIELD CROPS



Diversified Seed Portfolio



VEGETABLES



Tomatoes



Okra



Chillies



Brinjal



Gourds



Watermelon

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

High value premium hybrids of field and vegetable crops

High brand recall across product segments in farming community

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

Leadership Product Portfolio



Top 5 rank in key crop segments

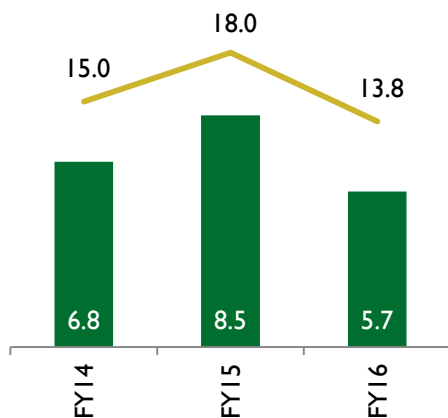
Crop	Kaveri Market Share (%) in FY16
Cotton	13
Maize	9
*Rice	6
Pearl millet	10
Sunflower	28

Kaveri's cotton seed volume break-up by state

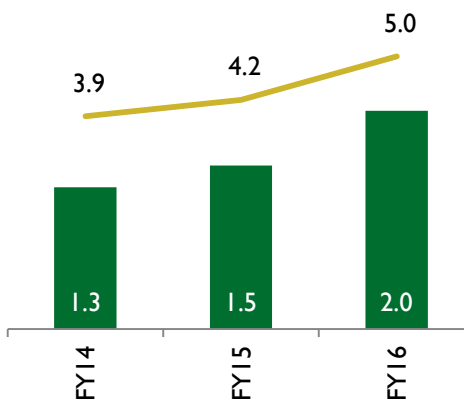
(m packets)	FY14	FY15	FY16
AP & Telangana	4.40	5.42	3.42
Maharashtra	1.06	1.33	1.12
Karnataka	0.66	1.26	0.45
Gujarat	0.14	0.16	0.25
Madhya Pradesh	0.19	0.16	0.16
Others	0.25	0.29	0.18
All India	6.70	8.63	5.59

- 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

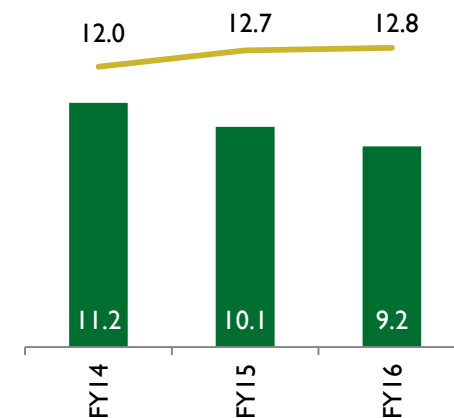
Cotton seed



*Rice seed



Maize seed



■ Sales Volume (m packets) — Market Share (%)

■ Sales Volume ('000 tons) — Market Share (%)

■ Sales Volume ('000 tons) — Market Share (%)

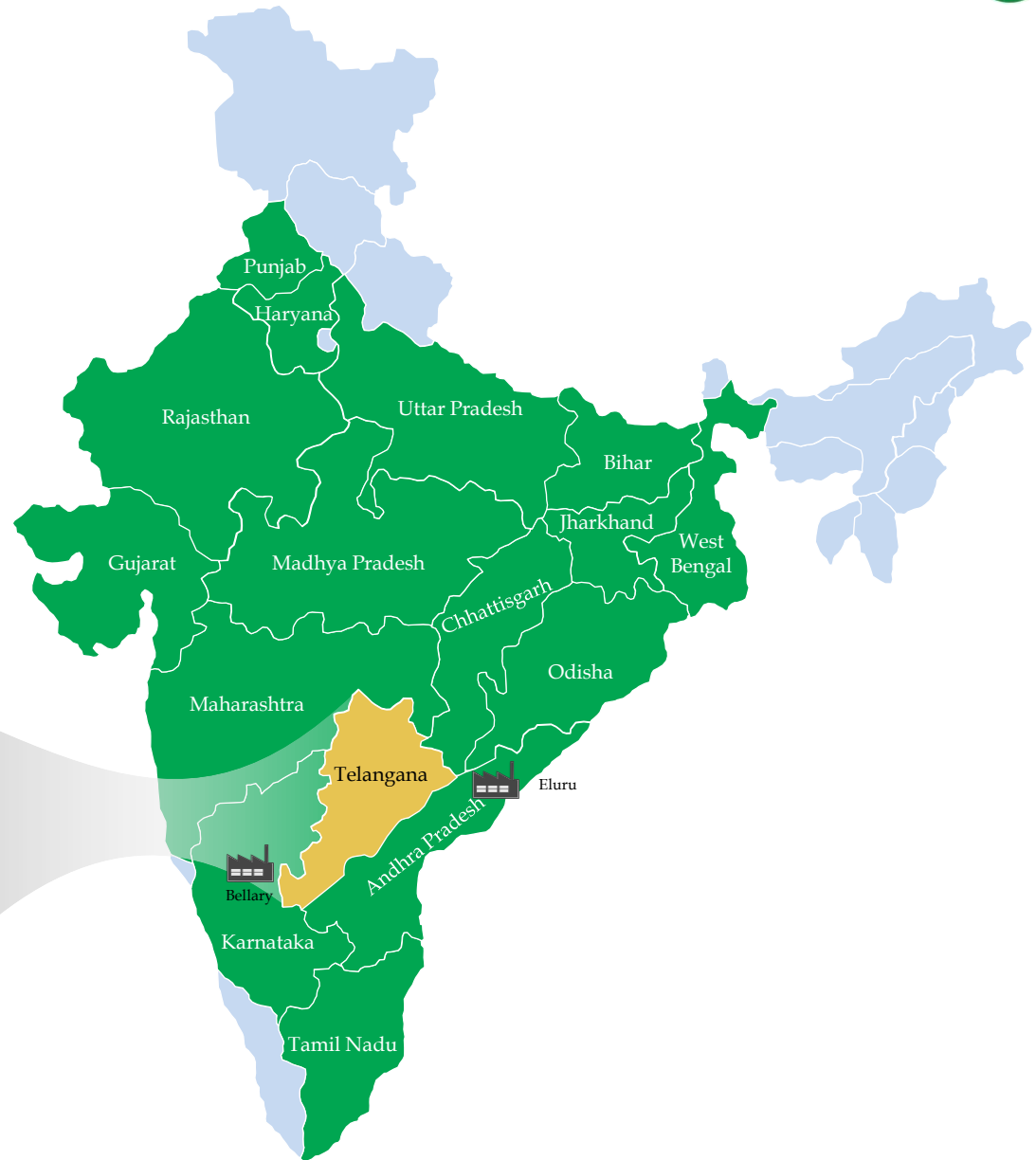
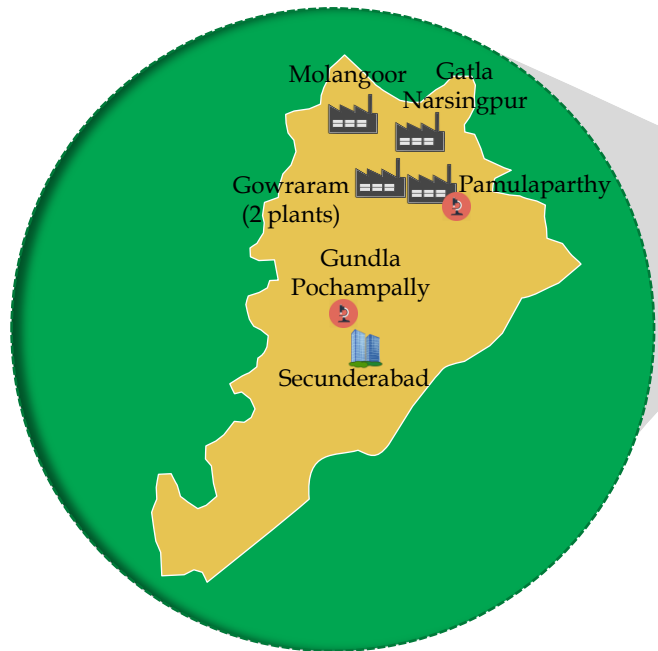
*includes hybrid & research

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

Distribution Presence



- Head Office



- Plant



- R&D Laboratory

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

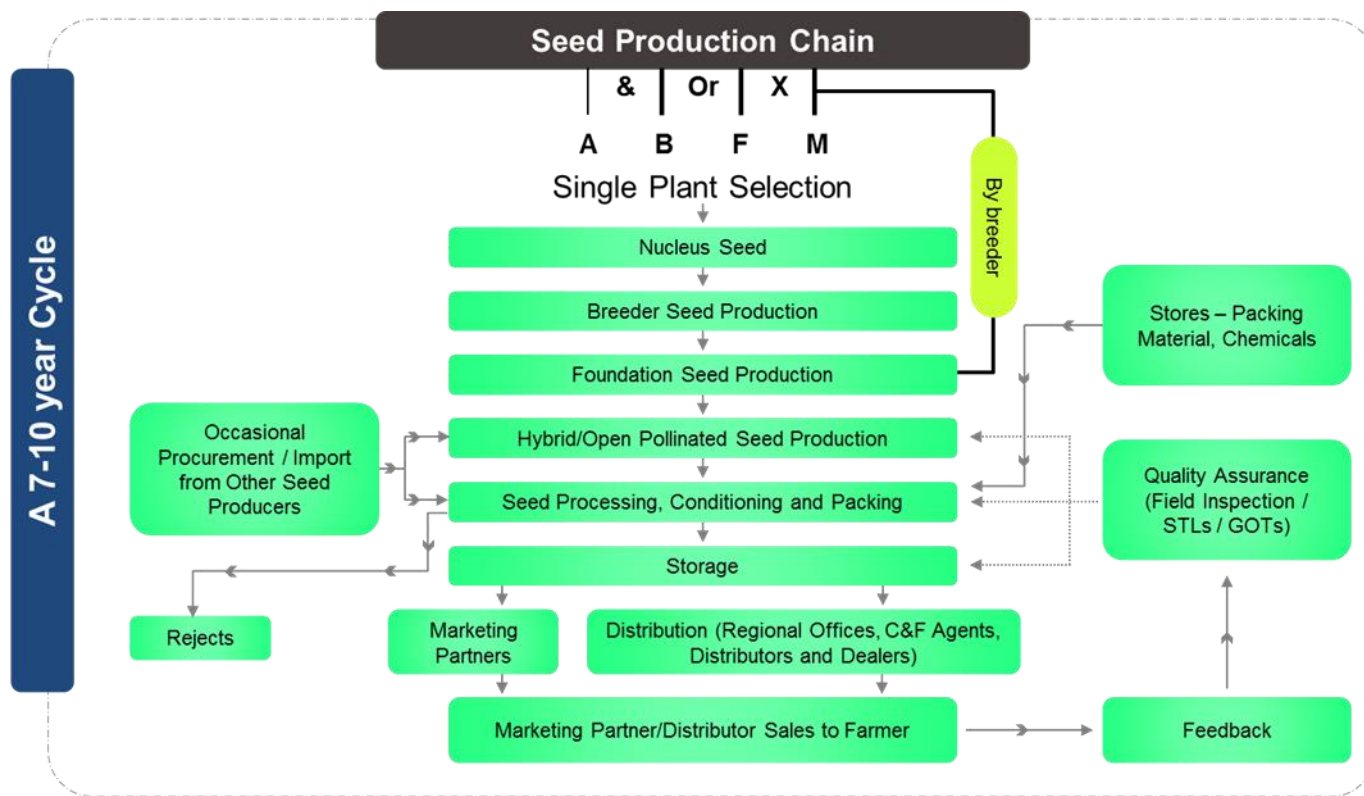
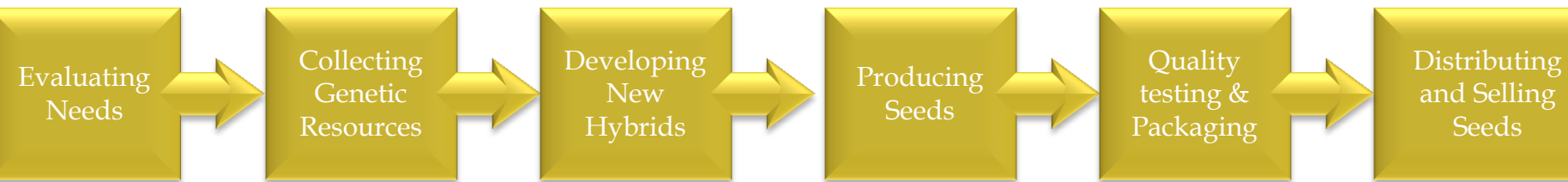
Pan India Presence

- 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

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



For further information, please contact:

G. Vijay Kumar
CFO, Kaveri Seeds

Tel: +91 40 4919 2345
Fax: +91 40 2781 1237
Email: cfo@kaveriseeds.in

513 B, 5th Floor, Minerva Complex, S.D.Road, Secundrabad
-500 003

www.kaveriseeds.in

Gavin Desa
CDR India

+91 22 6645 1237
gavin@cdr-india

Vikram Rajput
CDR India

+91 22 6645 1223
vikramr@cdr-india

