

kaveri seed company limited



10<sup>th</sup> November 2020

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

**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5<sup>th</sup> 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 2020-21 Results Announced  
on 10<sup>th</sup> November, 2020-Reg*

Please find attached herewith Presentation of Kaveri Seed Company Limited Q2 & FY 2020-21 Results announced on 10<sup>th</sup> November, 2020. The same was displayed at our Company's website at [www.kaveriseeds.in](http://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 & H1FY21



# 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.





# INDUSTRY BACKDROP & OUTLOOK

# H1FY21 Business Highlights



- Strong operational performance. Operating EBITDA margins (excluding other income) stood at 35.57% in H1FY21 versus 34.27% in H1FY20
- The Board of Directors have recommended a dividend of Rs 4 per equity share of Face value Rs 2
- With good monsoon and better sowing, there is possibility of bumper Kharif crop in FY21
  - Two good agri seasons indicate healthy income levels for farmers
- However higher rainfall in certain parts have impacted productivity & quality. Cotton prices are presently below MSP
- Maize overall H1 acreage are at similar levels as last year. Area impacted in Maharashtra & Telangana while marginal growth is seen in in MP, Rajasthan and eastern markets
- Hybrid rice industry growth at 7-8%; overall Kaveri hybrid rice is up by 41%
  - Scale up of New Hybrid 468 Across market has resulted in Volume and market share gain
- Strong supply chain combined with efficient planning and placement contributed well towards improvement in dispatches and sales
- Recognitions
  - Featured in this years edition of Forbes , Asia's Best Under A Billion - amongst 200 Asia-Pacific public companies with less than \$1 billion in revenue and consistent top- and bottom-line growth
  - HR Best Practices 2019 - Achiever of Gold Star in the category of Large Scale Industries (Manufacturing) - awarded by The Federation of Telangana Chambers of Commerce and Industry

- YTD cotton acreages have increased marginally by about 1.8% compared to the previous year. The Government has encouraged certain crops and hence acreages have increased in the Telangana region. There has been a slight decline in Maharashtra & Gujarat largely due to better economics of Soybean & Groundnut
- Overall Maize acreages have been stable with some decline in Telangana, Karnataka & Tamil Nadu & increase in Madhya Pradesh, Maharashtra and eastern states
- Rice & Bajra have been stable with not much change while Jowar & Sunflower have shown a marginal decline
- Due to heavy rainfall in October, Rabi sowing is expected to be delayed

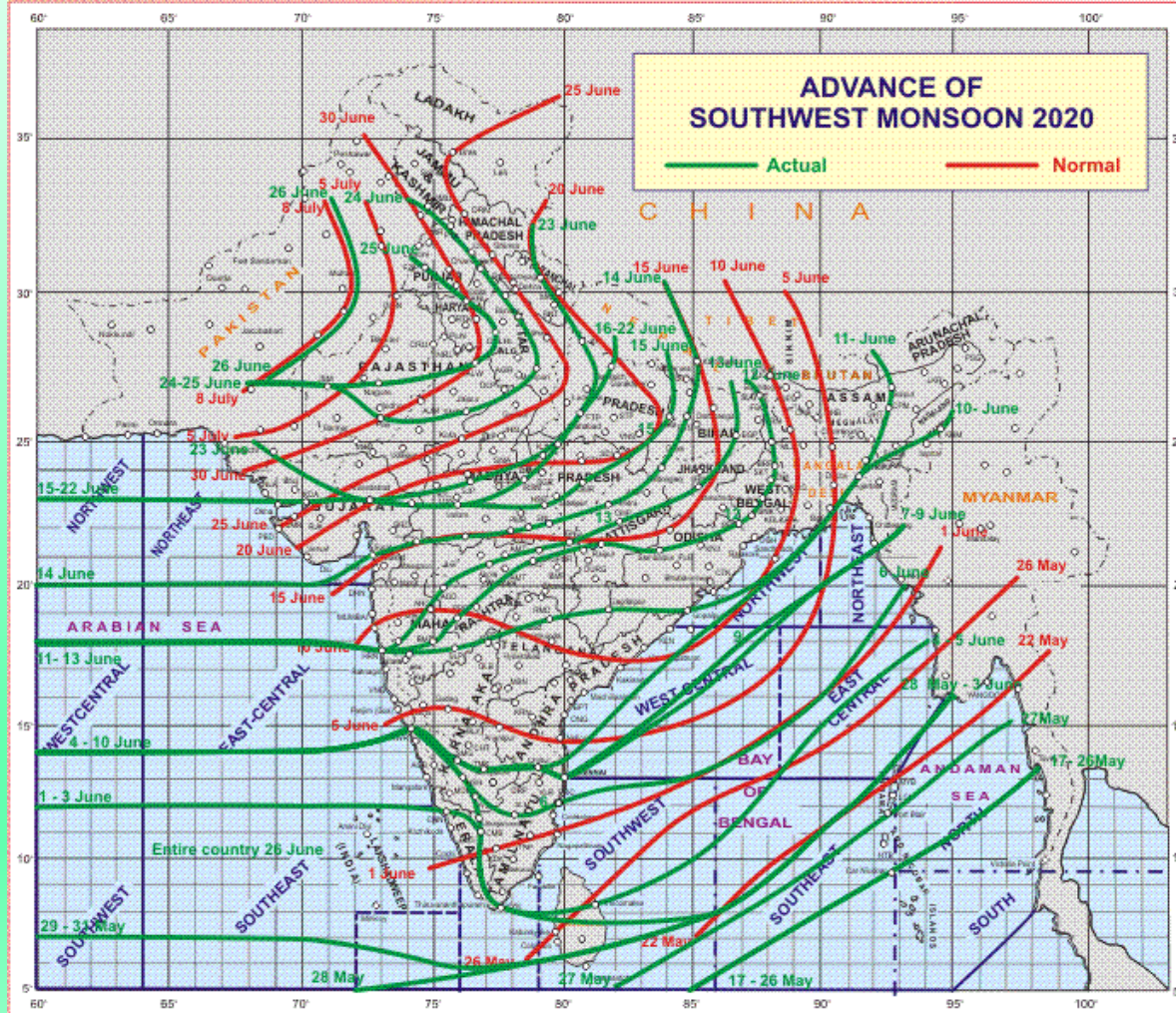
- Crop-wise area coverage during Rabi 2019-20: As on Nov 06, 2020

*Area in lakh hectare*

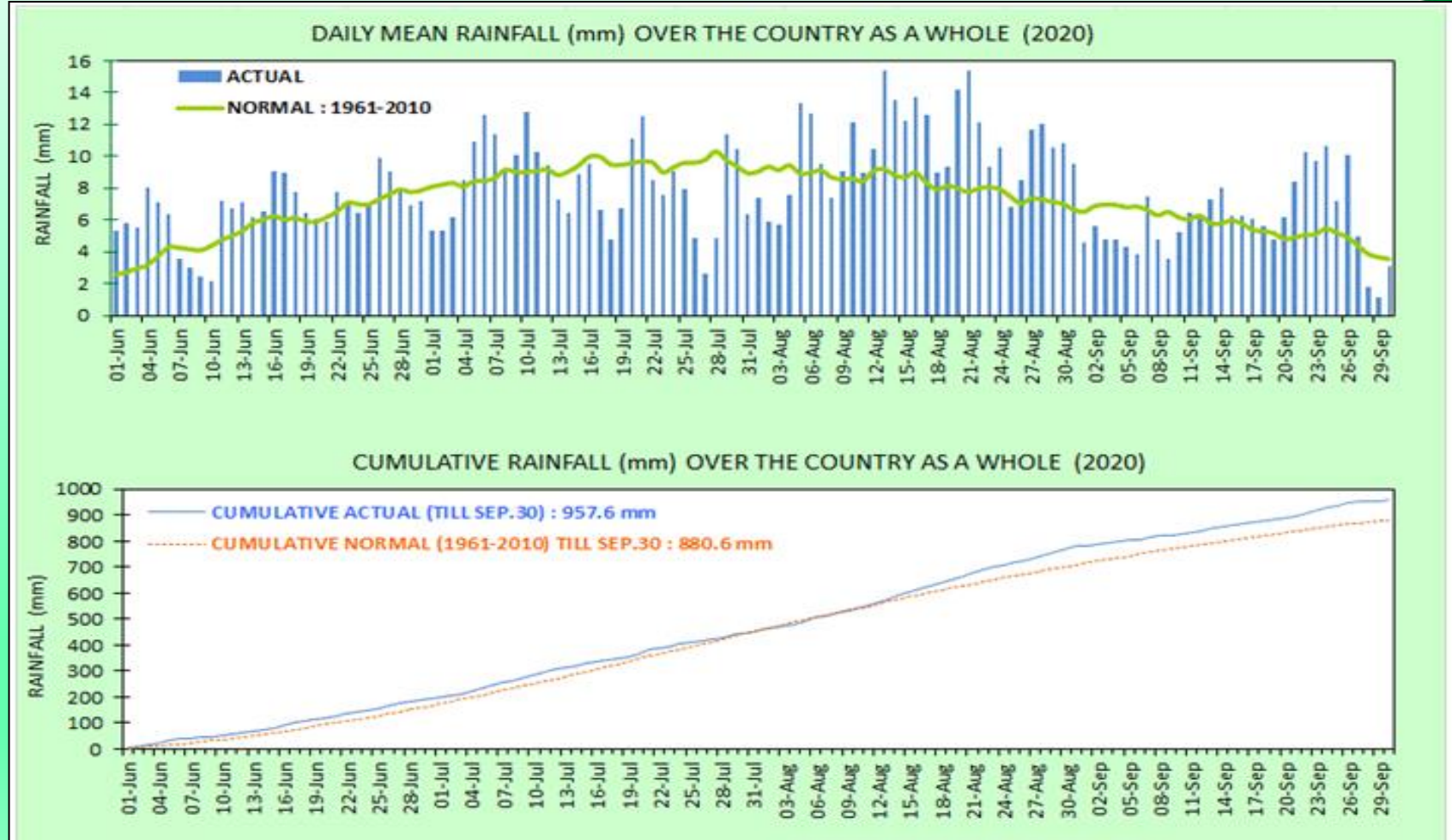
CROP	2020-21	2019-20	YoY
			Abs Change
Cotton	129.47	127.09	2.38
Maize	1.48	1.62	-0.14
Rice	5.87	5.79	0.08
Bajra	0.04	0.03	0.01
Jowar	6.51	9.36	-2.85
Sunflower	0.24	0.44	-0.20

Source: [agricoop.nic.in](http://agricoop.nic.in)

# Industry Backdrop - All India Rainfall

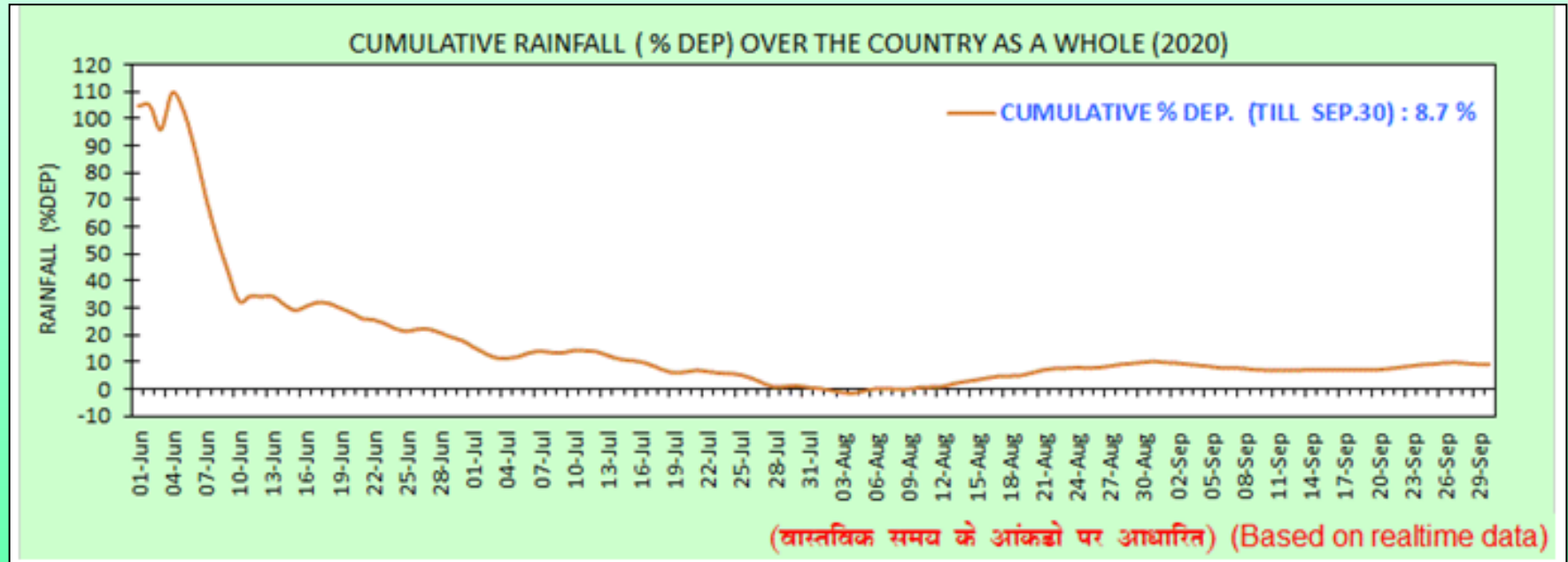


# Industry Backdrop - All India Rainfall





# Industry Backdrop - All India Rainfall



# Industry Backdrop - Cotton



Area coverage during Kharif 2020  
as on Sep 18, 2020

*Area in lakh hectare*

State	2020-21	2019-20	YoY Abs Change
Andhra Pradesh	5.64	6.20	-0.56
Telangana	24.13	18.60	5.54
Gujarat	22.79	26.67	-3.88
Haryana	7.37	7.01	0.36
Karnataka	6.88	5.75	1.13
Madhya Pradesh	6.44	6.09	0.35
Maharashtra	42.25	43.84	-1.59
Odisha	1.71	1.70	0.02
Punjab	5.01	4.02	0.99
Rajasthan	6.68	6.45	0.23
Tamil Nadu	0.35	0.50	-0.15
Others	0.22	0.27	-0.05
All India	129.47	127.09	2.38

Source: Directorate of Cotton Development, Nagpur

- Overall Cotton area has seen marginal growth of ~2% with major gains in Telangana, Karnataka and Punjab
- Area decline in Gujarat, Andhra Pradesh, Maharashtra & Tamil Nadu largely due to increasing attractiveness of competing crops like Soyabean, Groundnut & Chillies
- Significant increase in the use of HTBT has been seen across markets which has impacted branded cotton sales. About 50 lac packets is estimated to be sold

# Industry Backdrop - Commodity Prices Cotton



State	Prices November, 2020	Prices November, 2019	% Change(Over Previous Year)	Prices October, 2020	% Change(Over Previous Month)
Andhra Pradesh		5027.06	-	-	-
Gujarat	5093.90	4700.36	8.37	4730.81	7.68
Haryana	5150.00	5308.41	-2.98	5150.00	0.00
Karnataka	4750.41	5083.01	-6.54	4834.48	-1.74
Madhya Pradesh	5181.09	4911.60	5.49	4819.01	7.51
Maharashtra	4807.00	4830.79	-0.49	4504.03	6.73
Odisha		5055.02	-	-	-
Punjab	5552.48	5154.55	7.72	5447.35	1.93
Rajasthan	5331.23	5247.14	1.60	5286.29	0.85
Tamil Nadu	5189.82	4868.55	6.60	4627.98	12.14
Telangana		4804.87	-	-	-
Uttar Pradesh	5855.00	4811.51	21.69	5147.08	13.75
<b>Average</b>	<b>5212.33</b>	<b>4983.57</b>		<b>4949.67</b>	

# Industry Backdrop - Maize



Area coverage during Rabi 2019-20  
as on Nov 06, 2020

*Area in lakh hectare*

State	2020-21	2019-20	YoY Abs Change
Karnataka	0.14	0.16	-0.02
Maharashtra	0.25	0.17	0.09
Uttar Pradesh	0.02	0.02	0.00
Telangana	0.00	0.02	-0.02
Gujarath	0.03	0.04	-0.02
Orissa	0.00	0.00	0.00
West Bengal	0.09	0.08	0.01
Andhra Pradesh	0.01	0.01	0.00
Assam	0.13	0.09	0.04
Tamilnadu	0.79	1.02	-0.23
Others	0.01	0.00	0.00
<b>Total</b>	<b>1.48</b>	<b>1.62</b>	<b>-0.14</b>

- Rabi acreages are expected to decline on the back of lower commodity prices
- Government discouragement of maize sowing in Telangana may impact Rabi maize sales
- Rabi sowing may also get delayed & extended due to September & October rains

# Industry Backdrop - Commodity Prices Maize



State	Prices November, 2020	Prices November, 2019	% Change(Over Previous Year)	Prices October, 2020	% Change(Over Previous Month)
Andhra Pradesh	1207.89	1553.05	-22.22	1184.74	1.95
Assam		1469.48	-	-	-
Chattisgarh	1123.08	1740.20	-35.46	1102.24	1.89
Gujarat	1547.75	1932.42	-19.91	1463.80	5.74
Haryana	1850.00	2281.84	-18.93	1850.00	0.00
Karnataka	1310.14	1702.14	-23.03	1228.27	6.67
Madhya Pradesh	1313.97	1677.86	-21.69	1134.74	15.79
Maharashtra	1324.61	1559.39	-15.06	1259.56	5.16
Odisha	1297.88	1752.71	-25.95	1266.19	2.50
Punjab		2051.49	-	1783.01	-
Rajasthan	1499.55	1780.71	-15.79	1340.42	11.87
Tamil Nadu	1435.12	1714.16	-16.28	1537.77	-6.68
Telangana	1850.00	1688.68	9.55	1116.75	65.66
Uttar Pradesh	1398.06	1896.09	-26.27	1224.84	14.14
<b>Average</b>	<b>1429.84</b>	<b>2122.79</b>		<b>1345.56</b>	

Source: AGMARKNET

# H1FY21 Crop wise performance

## Cotton:

Volumes are almost stable in H1FY21

- Gained cotton seed market share in Gujarat & Haryana markets
- Lost sales in AP and Telangana
- Contribution of new products went up from 31% to 35% of volume
- New products include KCH 111, Moneymaker, VIPLAV

## Non cotton:

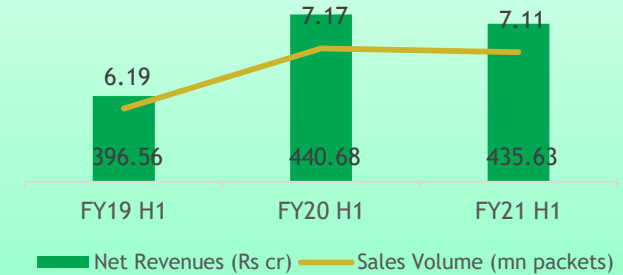
Business has grown significantly - up by 35.58%

- Driven by volume growth in new hybrids and also price appreciation in key products

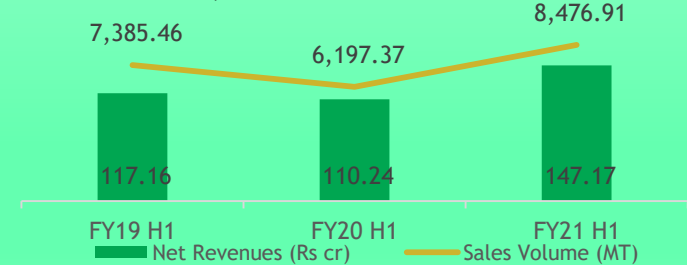
## Maize:

- Maize volume have increased by 36.78% and revenue by 33.50%
- Contribution of new products went up from 6.58% to 8.34% of Volume

Cotton seed revenue & volumes



Maize seed revenue & volumes



# H1FY21 Crop wise performance

## Hybrid Rice

Volumes increased by 41% in H1FY21

- Introduction of new hybrid 468 KPH471 & KRH7299 helped towards strong growth
- Contribution of New Hybrids went up from 50% to 67%

## Selection Rice:

Volumes grew by 33 % in H1 FY21

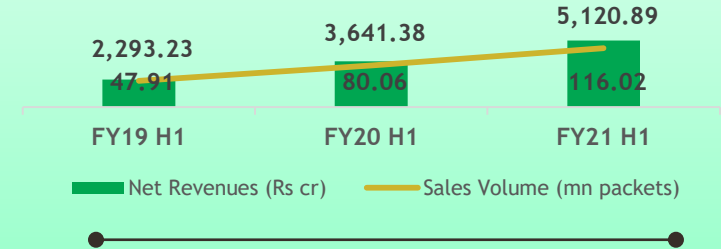
- Consistent performance across geographies. New products scale up on the back of growth in Chintu & Sampurna

## Vegetables:

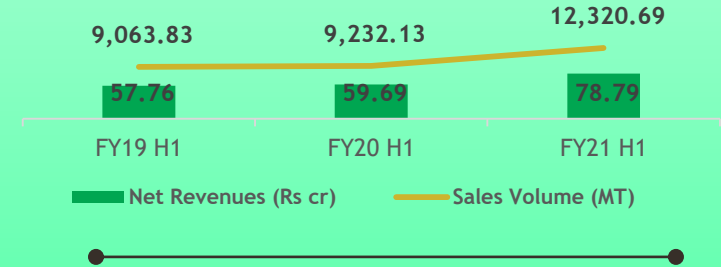
Vegetable sales volumes increased by 146%

- Major growth driven by Hot pepper, Tomato & Okra
  - In Hot pepper KPHH 1217, 1213 & Little Hot
  - In Tomato KTH 354
  - In Okra KOKH 1107

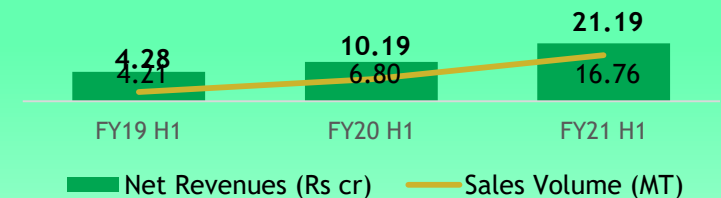
### Hy Rice Seed revenue & volumes



### Sel Rice seed revenue & volumes



### Vegetable seed revenue & volumes



## Field

- Early heavy rainfall during the crop maturity in Sept / Oct; has resulted in damage to the cotton crop which has impacted productivity and quality of output
- Cotton commodity prices to remain lower due to poor quality & high carry over; Inventory has been impacted by poor demand both domestic & internal
- Maize area in the balance year may be lower than last year as commodity prices are low and inventory is still high. Competing crops like wheat and gram offer more economic benefit
- Rice area may remain the same & commodity prices remain stable for the remainder of the year
- In H2, New Hybrids introduced in Maize namely KMH4210 , KMH8322 , KMH8333 & in the Summer Millet KBH 6310, KBH 6499 are expected to do well

## Vegetables

- Performance of new OKRA hybrid KOKH 1107 are expecting to sell good quantity in FYH1
- Introduction of CLCV Virus resistant hybrid KHPH 1204 in major hot pepper market and it is performing very well.
- We have an excellent performance all over India for hybrid tomatoes 055
- CLCV virus resistant hybrids identified and selected. In the coming year 2 Hybrids are propose to be introduced
- Bitter Gourd and Okra as well as other new vegetables introduced in Q1FY21 like Cabbage, Beet root, Carrot, Marigold, Sweet Pepper, Pumpkin and Muskmelon crops which are performing very well





# Q2 & H1FY20 PERFORMANCE

# Q2 & H1FY21 Performance Review



	Standalone						Consolidated					
Rs. lakhs	Q2FY21	Q2FY20	Growth (%)	H1FY21	H1FY20	Growth (%)	Q2FY21	Q2FY20	Growth (%)	H1FY21	H1FY20	Growth (%)
Net Sales	8,336.43	7,742.77	7.67	83,182.84	73,289.48	13.50	13,402.18	11,766.00	13.91	85,350.49	74,523.77	14.53
Cost of Production	3,666.02	3,504.95	4.60	45,399.93	38,613.95	17.57	7,706.28	6,461.60	19.26	45,415.07	37,946.02	19.68
<b>Gross Profit</b>	<b>4,670.40</b>	<b>4,237.82</b>	<b>10.21</b>	<b>37,782.91</b>	<b>34,675.53</b>	<b>8.96</b>	<b>5,695.90</b>	<b>5,304.40</b>	<b>7.38</b>	<b>39,935.42</b>	<b>36,577.75</b>	<b>9.18</b>
<b>Gross Margin (%)</b>	<b>56.02</b>	<b>54.73</b>	<b>2.36</b>	<b>45.42</b>	<b>47.31</b>	<b>(4.00)</b>	<b>42.50</b>	<b>45.08</b>	<b>(5.73)</b>	<b>46.79</b>	<b>49.08</b>	<b>(4.67)</b>
Employee cost	1,794.11	1,210.33	48.23	3,162.11	2,389.31	32.34	2,097.85	1,480.62	41.69	3,724.94	2,884.03	29.16
Other Expenses	1,571.40	1,898.54	(17.23)	5,385.84	7,829.64	(31.21)	1,930.98	1,889.09	2.22	5,848.55	8,151.30	(28.25)
<b>Other income</b>	<b>1,110.72</b>	<b>299.49</b>	<b>270.87</b>	<b>3,523.39</b>	<b>732.41</b>	<b>381.07</b>	<b>1,045.66</b>	<b>280.63</b>	<b>272.61</b>	<b>3,396.67</b>	<b>694.57</b>	<b>389.03</b>
<b>EBITDA</b>	<b>2415.60</b>	<b>1428.43</b>	<b>69.11</b>	<b>32758.35</b>	<b>25188.99</b>	<b>30.05</b>	<b>2712.73</b>	<b>2215.32</b>	<b>22.45</b>	<b>33758.60</b>	<b>26236.99</b>	<b>28.67</b>
<b>EBITDA Margin (%)</b>	<b>28.98</b>	<b>18.45</b>	<b>57.07</b>	<b>39.38</b>	<b>34.37</b>	<b>14.58</b>	<b>20.24</b>	<b>18.83</b>	<b>7.50</b>	<b>39.55</b>	<b>35.21</b>	<b>12.35</b>
Depreciation	532.78	585.17	(8.95)	1051.96	1170.93	(10.16)	556.58	619.70	(10.18)	1101.95	1243.47	(11.38)
Finance Cost	16.02	3.30	385.71	19.63	5.09	285.66	16.02	9.00	78.00	30.76	17.93	71.56
<b>PBT</b>	<b>1866.82</b>	<b>839.97</b>	<b>122.25</b>	<b>31686.76</b>	<b>24012.97</b>	<b>31.96</b>	<b>2140.14</b>	<b>1586.62</b>	<b>34.89</b>	<b>32625.89</b>	<b>24975.59</b>	<b>30.63</b>
<b>PAT</b>	<b>2123.63</b>	<b>693.12</b>	<b>206.39</b>	<b>31218.67</b>	<b>23586.61</b>	<b>32.36</b>	<b>2340.55</b>	<b>1352.35</b>	<b>73.07</b>	<b>31982.07</b>	<b>24376.51</b>	<b>31.20</b>
<b>PAT Margin (%)</b>	<b>25.47</b>	<b>8.95</b>	<b>184.57</b>	<b>37.53</b>	<b>32.18</b>	<b>16.62</b>	<b>17.46</b>	<b>11.49</b>	<b>51.94</b>	<b>37.47</b>	<b>32.71</b>	<b>14.56</b>

# Cash investments as on 30 September 2020

*Rs.in Lakhs*

*All figures based on cost*

<b>Fund House</b>	<b>Liquid</b>	<b>Liquid Plus</b>	<b>FMP</b>	<b>Shortterm</b>	<b>Medium</b>	<b>Grand Total</b>
ASK					2,293	2,293
AXIS		2,100				2,100
BIRLA		2,000	2,100	700	1,220	6,020
FRANKLIN			500			500
HDFC		1,500			3,800	5,300
ICICI		8,200	2,210			10,410
IDFC		2,000				2,000
KOTAK		3,000	500	2,100		5,600
RELIANCE		700	600	4,640		5,940
SBI		2,000				2,000
SUNDARAM				2,000		2,000
UTI		2,000	648			2,648
<b>Grand Total</b>		<b>23,500</b>	<b>6,558</b>	<b>9,440</b>	<b>7,313</b>	<b>46,811</b>

Total cash on books of Rs. 481 crore as on 30 September, 2020

# Key Ratios

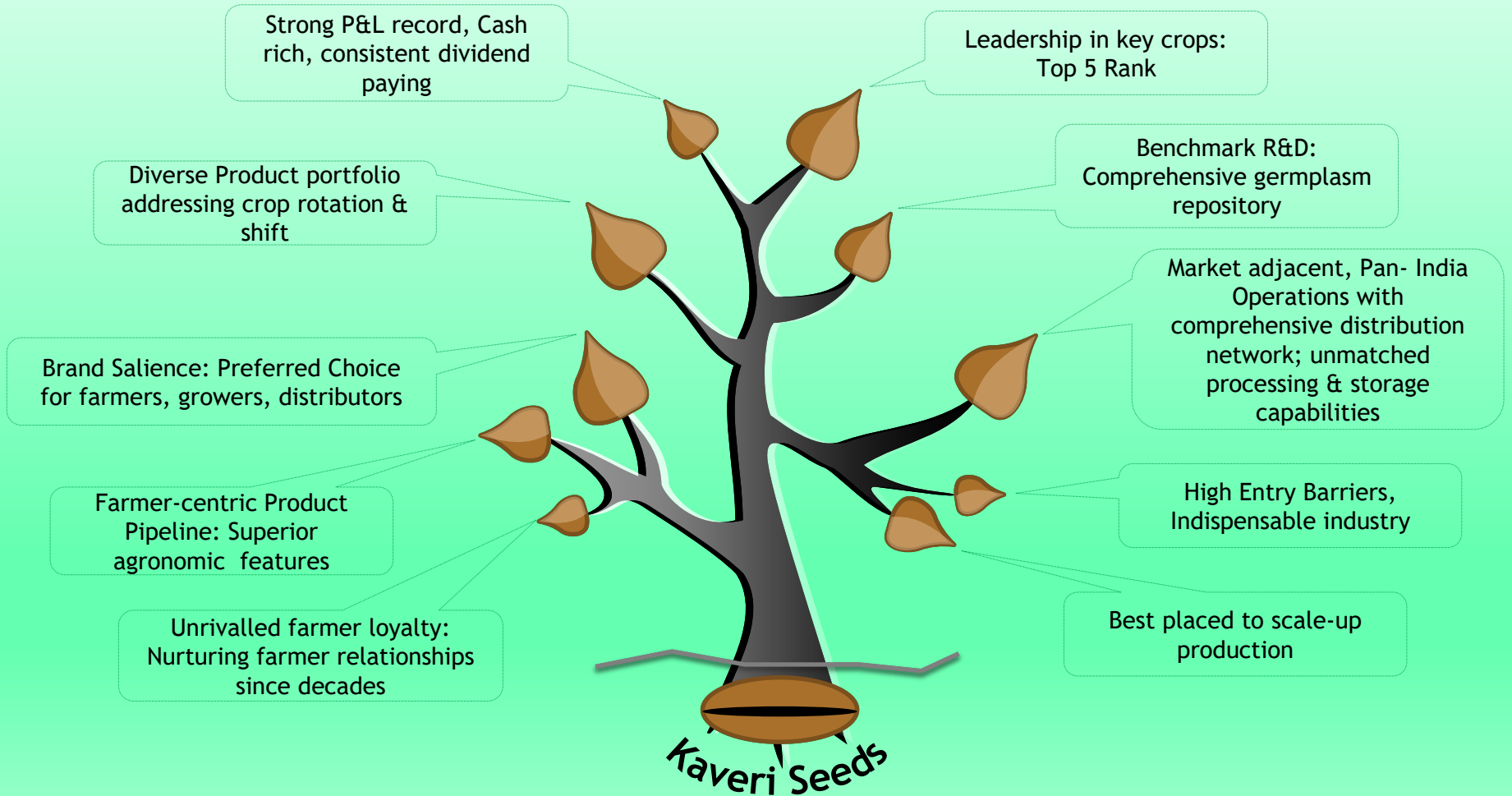


Rs. Lakhs	Standalone		Consolidated	
	As on September 30, 2020	As on September 30, 2019	As on September 30, 2020	As on September 30, 2019
Shareholders Fund	1,28,723.53	1,23,312.24	1,27,191.57	1,23,427.42
Long-term Debt	131.97	179.55	131.97	381.93
Fixed Asset Turnover (times)	3.14	5.33	3.09	5.20
Current Assets / Current Liabilities (times)	2.65	2.77	2.56	2.68

The Board has approved interim dividend @ 200% i.e. Rs. 4/- equity share of FV of Rs. 2 each

Rs. Lakhs	Standalone		Consolidated	
	As on September 30, 2020	As on September 30, 2019	As on September 30, 2020	As on September 30, 2019
Inventories	66,861.41	52,753.76	68,188.86	54,886.12
Trade Receivables	26,990.14	24,385.34	33,937.70	28,883.63
Trade Payables	37,029.72	33,872.31	37,355.14	34,127.24
Other current liabilities	19,987.38	15,708.71	24,961.36	19,666.98
Non Cash Net Current Assets (No. of Revenue Days)	410.73	433.94	413.93	438.15

# The Kaveri Moat: Seeding Profitable Growth



# Investor Contacts

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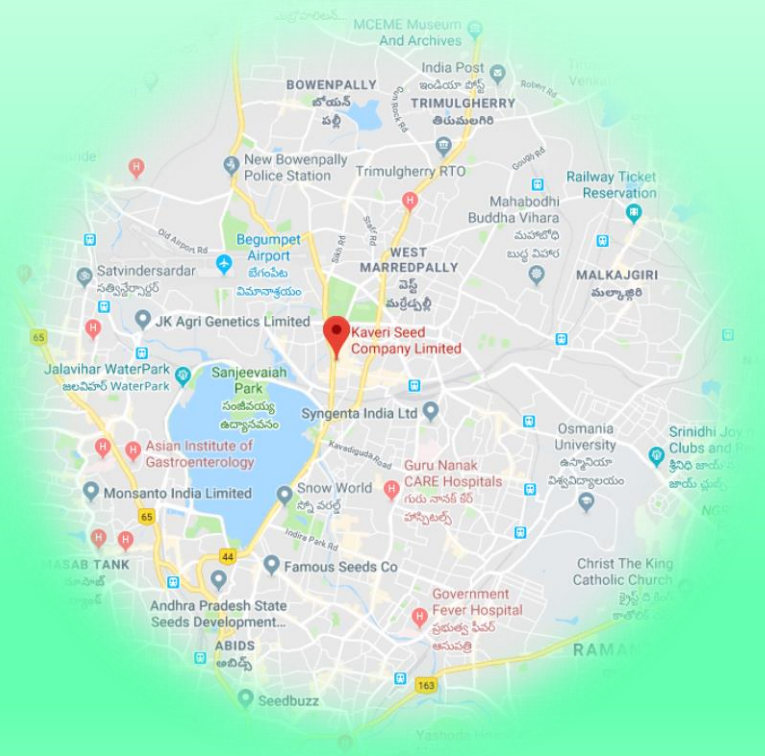
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**THANK YOU**