

Chairman's Message

Dear Shareholders

I pray for your good health and hope you and your family is safe. I appreciate you taking some time out to know Kaveri Seeds better and therefore, welcome you to read about the our performance and achievements during the fiscal 2020-21.



We plan to leverage our strong brand image, unique programs for distributors and retailers, and an innovation driven organizational culture to drive growth.

India's Agri-sector

Indian economy was adversely impacted by the pandemic like most of the global economies. While the Indian economy shrank 7.3% in FY21, driven by a decline in industrial activities and services sector, agricultural activity remained comparatively unaffected. The agricultural sector grew 3.6% year on year during the fiscal 2020-21. The growth could be attributed to the third consecutive good monsoons, with normal rainfall across most regions

in India and timely procurement of agricultural products by the Government. It helped to maintain cash flow in the economy. Moreover, the Government announced a slew of reforms, aimed at structural changes in the economy and an infrastructure push for key sectors such as transportation, health, energy and agriculture.

The agriculture sector was the only sector that recorded positive growth during the year, largely because the rural economy remained comparatively shielded from the devastating effects of the pandemic. Consumer behaviour was also driven by expectations of a good monsoon and apprehensions about the Covid 19 pandemic that compelled people to stock essentials including seeds. The country received above normal rainfall during the four-month monsoon season, recording the second highest precipitation in the last 30 years. Prices did play a spoilsport after the bumper harvests as lack of transportation during the countrywide lockdowns prevented the crops from moving to the market easily. However, government schemes and procurement helped cushion the effect. We are partnering with industry peers and the Government for appropriate policy support in building a supportive ecosystem and making India a global Agri-sector powerhouse.

Performance Review

We are proud of the resilience Kaveri seeds has shown in this challenging time to ensure personal safety and at the same time, running the operations with limited interruptions, which led to a sustained performance during the year.

Amidst a challenging operating environment, we exhibited remarkable performance and posted a revenue of INR 1035 crore during the FY 2020-21 as compared to Rs. 930 crore in FY 2019-20, registering a growth of 11.31%. Our EBITDA grew by 17.06% YoY from Rs. 286 crore in FY 2019-20 to

Rs. 335 crore in FY 2020-21. While, our PAT grew from Rs. 251 crore in FY 2019-20 to Rs. 305 crore in FY 2020-21, registering a growth of 21.51% YoY.

Commitment to Innovation

The remarkable performance was achieved owing to our strong emphasis on innovating and developing new & improved products to suit under different agro-climatic zones strengthen our reach in domestic & international market and working towards rationalising our expenses. During the year under review, we had identified certain business segments that are under served and provide significant opportunity to grow our business. We are focusing on these segments to further improve our standing & offering in these business segments. For instance, the rice crop market is strong and expected to grow further, with significant opportunity in the medium bold segment. We plan to leverage our strong brand image, unique programs for distributors and retailers, and an innovation driven organizational culture to drive growth.

Engaging our people

Despite the scenario, our employees remained committed and dedicated to achieve our endeavour of ensuring food security and increasing farmers' income. People on the ground exhibited extraordinary courage to ensure the availability of our products to farmers before their sowing season and helped customers and retailers connect with us. The Research and Development team worked tirelessly to introduce over 20 new products, despite operational challenges and supply chain issues. With innovative ideas, we tried to keep in touch with our business partners and employees, despite the hindrances posed by the pandemic. We also recognized and appreciated the contribution of our employees and remained deeply grateful to them for their dedication and support.

Responsible Business

As a responsible citizen, we strongly believe in the transformation and empowerment of our communities. We respond to needs through developing various programs related to rural development, education, health and social welfare, and through corporate social investments designed to provide indirect economic impacts. A total of INR 462.14 lakhs was spent towards CSR activities for FY21. During the year, we also donated various items and supported government efforts in the fight against COVID-19 pandemic impacts as well as meeting social welfare and community needs.

Going Ahead

At Kaveri Seeds, we are fully aware and well-positioned to tap into various opportunities by making the right investments in research & development, strengthening our brand and improving internal processes through digitalisation. We are banking on these to achieve our next leg of growth. We are embarking on an exciting journey of transformation with several initiatives for which I, on behalf of the Board, seek the support of all stakeholders.

Further, I would like to take this opportunity to extend my heartiest gratitude to all our stakeholders for their continued interest, faith and encouragement for Kaveri Seeds. A big thank you to all our team members, whose passion, commitment and hard work, has kept us afloat even during these tough times. I am also extremely thankful to all our business partners, vendors, other business associates and all our bankers for their support and contributions over the years. I look forward to your continued support to achieve our aspirations and goals.

Warm Regards,

G.V. Bhaskar Rao
Chairman & Managing Director