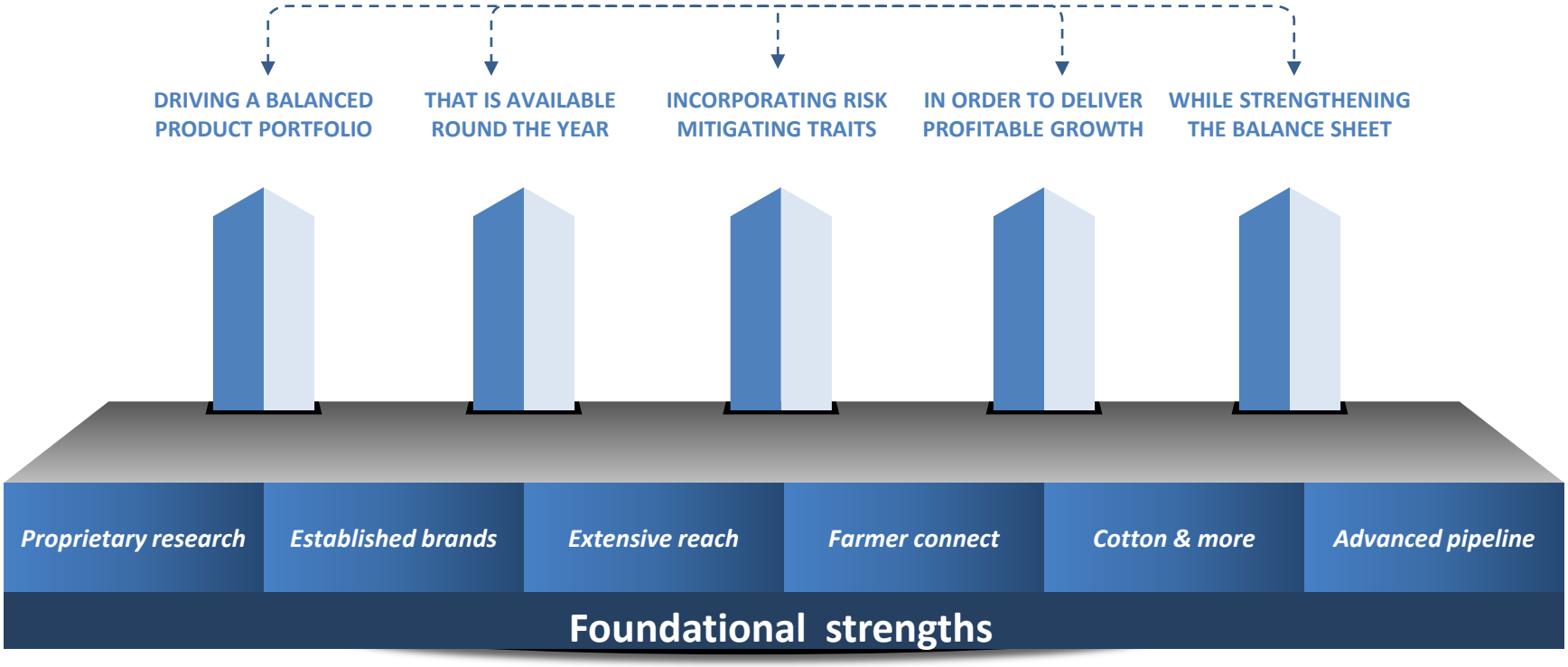
Pictures used are indicative and do not cover entire range of products

NATH BIO-GENES (INDIA) LIMITED

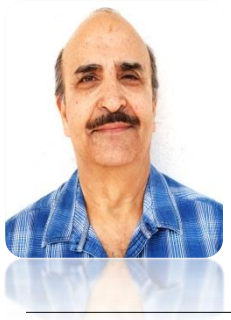
Corporate Presentation -August 2016

The NBIL advantage

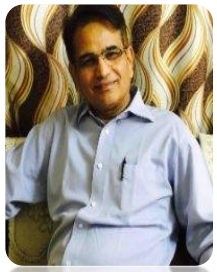


Creating growth backed by capabilities, experience and vision

Leadership team

	Mr. Nandkishor Laxminarayan Kagliwal, Director (Promoter)	Mr. Nandkishor Kagliwal is the founder chairman of the Nath Group. He was the President of Maharashtra Economic Development Council (MEDC) and also served as a member of Maharashtra's planning board and western regional council of Industrial Development Bank of India (IDBI).
	Mr. Satish Laxminarayan Kagliwal Managing Director (Promoter)	Mr. Satish Kagliwal is the Managing Director of the Nath Bio-Genes (India) Limited. He is also the trustee of Nath Agro Research Foundation, an institute doing fundamental research in several crops. He is a Management Post Graduate and has studied at BITS, Pilani. He has been actively involved in the agri sector for over two decades.
	**Dr. Satish Raina** Director, Research	Fellow of the Indian National Science Academy (INSA), and National Academy of Agricultural Sciences (NAAS), Dr. Satish Raina was the Professor of Molecular Biology & Biotechnology, National Research Centre on Plant Biotechnology (NRCPB), New Delhi. He was Post-Doctoral/Visiting Scientist at the International Rice Research Institute, Manila, Philippines (1987-1989); Swiss Federal Institute of Technology, Zurich, Switzerland (1995); and John Innes Centre, Norwich, UK (1996).

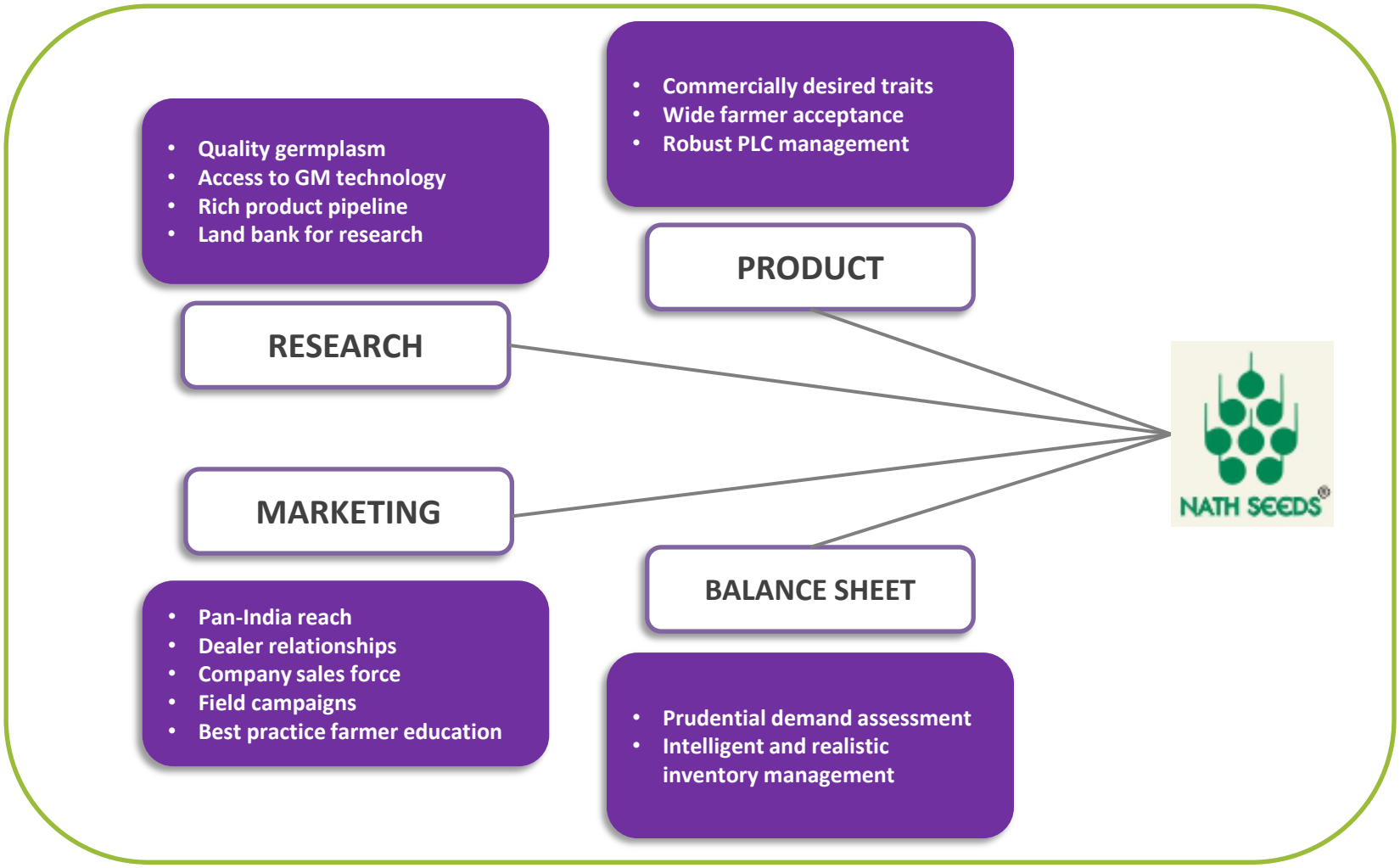
Leadership team

	**Mr. Ram Jangeed** Business Lead – Vegetables & Crop Nutrition	An MBA from IIM Ahmedabad and a Graduate in Agricultural Engineering, BE-Ag from CTAE-Udaipur. Ram Jangeed joined Nath Bio-Genes in January 2011 and has over 28 years of experience in Agri-Inputs, Seeds, Fertilizers, Agrochemicals and Crop Nutrition across functions like marketing, product management, sales and product development.
	Mr. Madhav Dhande Business Lead – Cotton & Field Crops	Madhav Dhande has been associated with the agricultural sector for over three decades and is renowned for his analysis of operation planning and forecasting. Before joining Nath Bio-Genes as Business Lead (Field Crops), Madhav Dhande has was working with Krishidhan Seeds as a Director (Operations) for over 15 years.
	Mr. Devinder Khurana Chief Financial Officer	A Finance Professional with more than 36 years' of experience. Mr. Khurana started his career with The Indian Army as a Captain. Apart from being CAIIB (Certified Associate of Indian Institution of Bankers), he also completed his CFA (Chartered Financial Analysts) from USA with Gold Medal. He is richly endowed with multi tasking capacity and has been instrumental over the years in running tight ship of System, Accounting and ERP. He has been instrumental in getting the entire operations of the Company online through ERP system. He is currently responsible for Finance, Accounts, Secretarial, ERP and System Controls.

NATH SEEDS®

Business Strategy

Attributes of Strategy: Driving Quality Operations



Building best-in-class capabilities to deliver sustainable performance

Attributes of Strategy: PRODUCT

BALANCED OFFERING

- *Present in Cotton. But not dependent on it*
- *Robust offering in important field crops*
- *Driving Vegetables, Fruits & Crop Nutrition portfolio*

COMMERCIALLY DESIRABLE ATTRIBUTES

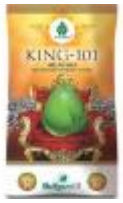
- *Better genetics for consistent performance*
- *USP for every product. Aiming for better farm economics*
- *Adapted to local markets conditions (agro-climatics, pests/diseases)*

PRODUCT

RESEARCH

MARKETING

BALANCE SHEET



Attributes drive the product. Product drives performance

Attributes of Strategy: RESEARCH

PROPRIETARY APPROACH

- *Continual evaluation of beneficial traits/genes*
- *Indigenous offering in Cotton: Fusion I & II*
- *Focus on: Rain-fed ecosystem, Irrigated/High mgmt. varieties*

TOP CLASS INFRASTRUCTURE

- *Quality beyond standards. ISTA compliant*
- *Company managed R&D farms. Dedicated stations. Seasonal stations*
- *Tie-ups with institutions of repute in agronomy/research*

PRODUCT

RESEARCH

MARKETING

BALANCE SHEET

Curating a winning portfolio of the future

Attributes of Strategy: MARKETING

DISTRIBUTION: SECOND TO NONE

- *Robust presence in key markets*
- *Distributed production/growing setup*
- *Long-standing relationships with growers*

BEST IN CLASS FARMER SUPPORT

- *Full-fledged promotional support*
- *Dedicated outreach to growers through relationship approach*
- *Helping farmers earn both bountiful crop and enhanced revenues*

PRODUCT

RESEARCH

MARKETING

BALANCE SHEET

Gaining scale through an advanced distribution philosophy

Attributes of Strategy: BALANCE SHEET

PRUDENTIAL ACCOUNTING

- *Realistic inventory management*
- *R&D expenditure expensed off. Negligible intangibles on books*

TOPLINE IS IMPORTANT. MARGINS MORE

- *Give more value (Hybrids with USPs) to farmer. Get more value in business*
- *Focus on addressable, high-value market gaps in key crops*
- *Extensive presence in Vegetables. Blockbuster Crop Nutrition product*

PRIMED FOR SCALE UP

- *High operating leverage. Growth not contingent to capex*
- *Asset light trajectory. Can rope in contract growers/processors*
- *Exports as an avenue to expansion*

PRODUCT

RESEARCH

MARKETING

BALANCE SHEET

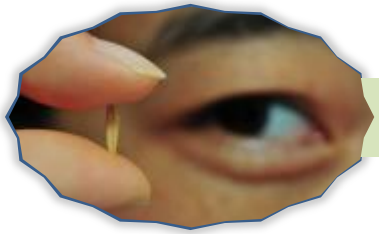
Building a solid foundation for growth

NATH SEEDS®

Research Capabilities

Research objectives

CURATING GERMPLASM



CROP QUALITY

CONVENTIONAL BREEDING

RESISTANCE TO PESTS/DISEASES

TRANSGENIC TECHNOLOGIES

TOLERANCE TO HEAT/DROUGH

- Dedicated team of research scientists working for each crop
- 18 stations for evaluation of research products across agro-climatic zones
- Going beyond high-yield potential to create built-in value through seed embedded technologies to protect against specific biotic/abiotic stressors
- Linkages with national/international research institutions
- Collaboration with Royal Sluis, Holland, for joint research, production and marketing of hybrid vegetable seeds
- Collaboration with the prestigious Bio-Technology Research Institute of the Chinese Academy of Agricultural Sciences for the Fusion-Bt Cotton Technology

Research pathway

1979
- Incorporated as a partnership firm

1980
- Incorporated as a private limited company

1987
- Converted into a public limited company

1995
- Through its R & D, developed and launched Hybrid Rice for sale for the first time in the Country
- Entered the field of Floriculture. Made technical arrangements with one of the most experienced Orchid growing Company of the world
- Developed an Eco friendly bio-pesticide based on Neem under the brand name 'NEEMNATH'

1996
- Awarded with ISO 9001 for excellence in operations. First Seed Company in Asia to be awarded with this unique honor
- Also been awarded with the prestigious 'Vasantrao Naik Prathisthan Award' towards contribution for enhancing Agricultural Productivity
- Entered Paddy and Sunflower markets with new hybrids for the first time

1997
- Launched in-house research product for Cotton hybrid named 'KASHINATH'
- Another in-house research product launched for Forage Sorghum hybrid named 'NATHCHARI 905'
- Undertook a unique Integrated Agro Processing and Corporate Farming project which involves cultivating Fruits & Vegetables on over 2500 acres of area

1998
- Launched in-house research product for Mustard named 'NATH SONA 212'

1999
- First seed company in Asia Pacific region to get ISO 9001 certificate

2000
- Collaboration with Royal Sluis, Holland, for joint research, production and marketing of hybrid vegetable seeds
- Launched a wheat variety called 'Dry Wonder' in Madhya Pradesh. This unique wheat variety needs only two irrigations per crop as against average wheat crop in India requiring at least 6 to 8 irrigations

2005
- Company begins the process of consolidation by expanding into Vegetable crops. The product mix is rationalized with territorial expansion to ensure pan India presence

2015
- Bollgard II technology also acquired in 2011 for Cotton products, augmenting the range of Fusion-Bt products developed under license from the Chinese Academy of Sciences.
- The Company expands into Plant Nutrient Supplement, a wonder product

NATH SEEDS®

Product Insights -Fibre & Cereals

MUSTARD

MARKET CHARACTERISTICS

- Most planted crop in Rabi. Market volumes largely static. Cost of production meagre, margins healthy
- Crushed for edible oil/Consumed as food
- Dominant product is varietal seed. Hybrids catching up
  - Preference for higher oil content
- Yellow mustard has niche market. Demand for Black mustard far greater

NBIL ADVANTGE

- Acknowledged for leadership in yellow mustard category
  - 'Goldie' stands out as the preferred choice of farmers
- Brand equity earned in yellow mustard can be harnessed in black mustard category
  - 'Nath Sona' & 'Super Sona' rapidly emerging a base
- Hybrids in pipeline focusing on improving oil content, promoting resistance to rust/downy mildew

PEARL MILLET (BAJRA)

MARKET CHARACTERISTICS

- Subsistence crop for poor farmers. Used as poultry feed as well
- Cost of production is low, whereas realisations stand attractive
- Grown during Kharif. Acreages stable
  - Short duration crop
  - Has low water requirement -can be sown when rainfall is sparse/delayed
- Market shows preference for hybrids

NBIL ADVANTGE

- Top ranked presence in the market
  - 'Big B' and 'NBH 1717' very popular amongst farmers
  - Emphasis on key Rajasthan market
- Breeding initiatives focusing on yield improvement, enhancing drought resistance, earliness and building protection against downy mildew
  - Aiming for market share gains with 'NBH-20'/ 'NBH-21'

PADDY

MARKET CHARACTERISTICS

- One of the largest crops in India. Long duration. Grown during Kharif. Hybridisation rate at 5%
- Complex to cultivate. 400+ types of diseases
- Water requirement high under 'transplanting' method
  - Direct seeded method slowly catching on
- Govt. subsidy scheme promotes 'notified' hybrids –farmers show preference for subsidised seeds

NBIL ADVANTGE

- Present in 'notified' hybrid category
- Aiming to grow volumes substantially over 3-5 years
- Pipeline incorporating resistance to BHP, Blight and Stem Borer
  - Also focusing on drought resistance and reduced duration
- Working on breakthrough product for irrigated areas, where varietal seeds are preferred typically

MAIZE

MARKET CHARACTERISTICS

- Sizeable acreages in India -market saturated by MNCs. Most commercially desired traits already incorporated
- Sown both during Kharif and Rabi
  - Rabi is the bigger market value-wise. Crop matures at 160 days vs 90-100 days for Kharif variety –is sensitive to dynamics of rainfall
- Consumed as poultry-feed, as a food grain and in production of ethanol and sweeteners

NBIL ADVANTGE

- Emerging as a niche player in premium segment, away from the bottom-end of the market and MNC hybrids at the top-end
  - Focus on maintaining share
- Product emphasis on enhancing quality of grain, starch content, yield improvement
- Aiming to develop hybrids for specified end-usage in poultry, ethanol and starch industries

COTTON

MARKET CHARACTERISTICS

- Largest cash crop in India. Regulatory oversight high
  - Rate of hybridisation highest. Market geared for BG III introduction/HDP varieties
  - Cost of production substantial
- Cultivated during Kharif, is dependent on good rainfall dynamics
- Competition high, major traits already present in the market
- Pest attacks highly rampant –White Fly, Sucking Pest, Pink Bollworm chief antagonists

NBIL ADVANTGE

- Seeking a limited presence in the market
- Focus on steady volumes
- Pipeline incorporating resistance to sucking pest, amenability to HDP

NATH SEEDS®

Product Insights -Vegetables

OKRA, TOMATO AND GOURDS

MARKET CHARACTERISTICS

- Demand for hybrids only, not for OP varieties; affluent farmers engage in vegetable planting
- Quality is a key parameter for Tomatoes, Okra and Gourds
- Okra is exported in large quantities from 2-3 major export hubs in India
    - Continuous focus on value-addition

NBIL ADVANTGE

- Considerably large player in vegetables including Okra, Tomato & Gourds, with a balanced portfolio of strong brands
    - Proprietary R&D team in place to develop newer products
- Working on resistance to important viruses for Tomatoes -T1, T2 ad T3. Presence across all the varieties of Gourds
    - 'NBH 274' has developed very good tolerance against virus

CHILLI

MARKET CHARACTERISTICS

- High margin high risk crop. Needs constant monitoring until the final harvest stage. Cost of production is high for the farmers
    - Commands pricing premium; sees less sales return
- Very high competition for Chillies; lower per acre seed consumption
- Value-driven, not volume-driven business
- Focus shifting towards organic plantation of Chillies

NBIL ADVANTGE

- Steady state business; growing with the market
- Products catering to different varieties of Chillies
- Developed 2-3 high-potential brands
    - 'NCH-886' and 'NCH-748' are the key products
- Capitalising huge market potential for fresh green Chillies

CROP NUTRITION

MARKET CHARACTERISTICS

- Fertiliser (Urea predominantly) is the chief input that the farmers use. Agrochemicals typically consumed for high value crops including fruits/vegetables –chemically induced yield improvement already accomplished
- Crop nutrition products address gaps in nutrition of the soil and the crop –organic products available
  - Significantly enhance realised value from the crop
  - Competition is intense

NBIL ADVANTGE

- Win-Chi-Win to tap into large latent potential in the market
  - Foliar application. Minimal dosage requirement enhances cost effectiveness
  - Organic product based on natural raw materials
  - Considering local formulation
- Post seed season sales force re-deployed to promote Win-Chi-Win

NATH SEEDS®

Financial Overview & Outlook

Primed for profitable growth

Rs. Cr.	FY12	FY13	FY14	FY15	FY16
Revenue	123.9	137.7	189.4	185.3	162.1
EBITDA	5.8	7.8	20.9	21.9	11.3
PAT	9.2	11.7	24.3	25.4	14.2
EPS	5.75	0.73	15.19	15.87	8.85
FCF					

	FY12	FY13	FY14	FY15	FY16
OPM%	12.57	14.87	19.89	19.09	15.71
PATM%	7.42	8.53	14.12	13.71	8.74
D/E	0.24	0.29	0.30	0.24	0.35
Inventory	1.88	1.93	2.08	1.80	1.26
Debtors	9.95	8.24	6.13	4.63	3.59
ROCE	18.67	23.51	32.17	26.07	13.77
RONW	20.12	22.77	34.90	26.89	12.41

Earnings growth through better product mix and better operating efficiencies

Outlook

PREDICTABLE PERFORMANCE

- *Balanced product portfolio*
- *365 days sales*
- *Prudential accounting*

ACCENT ON GROWTH

- *Scale up underway in topline –new product lines in key crops, filling niches*
- *Bottomline to grow faster than topline –focus always on profitable choices, margin rich products*

SUPPORTED THROUGH R&D

- *Proprietary approach. Creating stars of tomorrow*
- *Adequately funded to carry out growth agenda*

NBIL Mission

COMMITMENT

Passion for agronomy
Experience through seasonality
Dedicated to farmer upliftment

DELIVERED

Seed-embedded technologies
Balanced round the year portfolio
Prosperity & cheer to farmers