

Camson Biotech Q1 net profit up by 45.16% to Rs 5.40 cr

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Camson Biotech delivers 45% Q1 profit growth

Paradigm shift sees Indian farmers increasingly move towards Camson's zero residue, environment-friendly products from chemicals oriented agriculture practices

- ▶ Camson Biotech successfully delivers innovation led higher yield and crop protection solutions relevant to Indian agriculture practices; the company's products gaining popularity among farmers across India
- ▶ Higher realisation for Camson's hybrid seeds, bio-fertilizers and biocides due to increased brand and marketing efforts

Performance Highlights:

- ▶ Camson's Q1 net profit grew by a robust 45.16% to Rs. 5.40 crore for the quarter ended June 30, 2010 from Rs. 3.72 crore in the corresponding period last year
- ▶ EBDITA for the quarter ended grows 35.81% to Rs.5.84 crore from Rs. 4.30 crore in the same quarter last fiscal.
- ▶ Camson's environmental friendly products get good response in international markets; the company announced the starting of international operations by setting up ventures in Singapore, Cairo and Dubai.
- ▶ Camson's products across hybrid seeds and biocides and bio-fertilisers gaining acceptance as an alternative and safe agri-medium among Indians both in the farm and in kitchens.

Camson Biotechnologies Limited, one of India's fastest growing IPR-driven agricultural biotechnology companies posted a record 45.16% growth in the first quarter ended June 30, 2010. This strong growth can be attributed to increased demand and better realisations for Camson's zero-residue biocides and unique hybrid seeds. The company declared a total income of Rs 20.71 crore for the quarter ended, rising 5.39% YoY from Rs 19.65 crore in the corresponding period last year.

The response to Camson Biotech's zero-residue hybrid seeds, biocides and bio-fertilisers clearly shows a changing trend of how Indian farmers are approaching farm practices. They are open to alternate methods other than harmful chemical-led agri-practices if they see an increased yield and safer crop protection at efficient costs. In the next 3 years the company sees a tectonic shift to zero-residue farm practices among farmers across India. Camson Biotech is geared to scale up its operations to gain the first mover advantage in the zero-residue agri-domain.

The quarter saw the continuing momentum for Camson's products with the hybrid freezer watermelon getting good commercial response and a steady demand for cost-effective and higher yield led biocides and bio-fertilizers. Trends in the farming community indicate a noticeable shift towards products that are environment-friendly. In this regard, Camson's commitment to producing zero-residue biocides and bio-fertilizers is revolutionising farming practices in India. The performance helped the company's Q1 net profit to grow by 45.16% to Rs. 5.40 crore for the quarter ended June 30, 2010 from Rs. 3.72 crore in the corresponding period last year.

Commenting on the results, Dharendra Kumar, Founder and Managing Director, Camson Biotech said, At Camson, sustainable agriculture in harmony with environment is a key mission. The continuous demand for our products across hybrid seeds and zero residue biocides and bio-fertilizers indicates to us that the Indian farmer has started adopting environment-friendly agricultural practices. In turn, we endeavour to provide cost effective solutions to the farmer to enhance output and productivity through better yield. The ultimate goal is to deliver healthy food to the Indian consumer. Also, agri-marketing and farmer engagement programs are improving. We are seeing better realisation on a per unit profitability for our products and building a significant brand premium for Camson Biotech products.

He added, Our innovative R&D led approach to farming and agriculture inputs has seen international interests and we are setting up business in Singapore, Dubai and Cairo to meet the growing demand for zero residue agri-inputs. We are confident and very excited to take Camson's success to the international market and grow the company to its next level.

Camson Biotechnologies Ltd. will be setting up manufacturing and distribution units in Singapore, Dubai and Cairo. These cities are strategically chosen to give Camson a central geographical presence and cater to surrounding countries to meet the increasing demand for food and agricultural products.

Business Performance and Outlook

Hybrid Seeds - V Camson's hybrid seeds have shown continuous commercial performance. The company's hybrid freezer watermelon is the first of its kind by an Indian company and has met with popular success among farmers and the first produce is expected to hit the markets by the next quarter. With a waiting period for its seeds, the 5 varieties of the freezer watermelon like Netravati and Vedavati distinguish themselves from normal varieties with their deep-red, non-leaky and crisp and crunchy flesh, with TSS (Total Soluble Solids) of over 12-14%. The plant matures in 75-80 days and has thick foliage with a few seeds.

The company has been receiving an encouraging response for its tomato seeds like Ganga and Songanga both of which are high yield variety. The Chilli hybrid seeds like Gomti and Pennar range consisting of fresh and dry chillies have got a good response both for domestic use and retail level products likes pickles and bhajjis as local snacking food item.

Camson remains focussed on its innovation-led R&D for bettering agri-produce through crop protection and higher yield with an additional research station at Aligarh in Uttar Pradesh. Currently, the company is setting up two state of the art manufacturing and production facilities, the first one in Nangal, Himachal Pradesh and the second one in Kotabagh, Uttarakhand to cater exclusively to the Northern India market. The Himachal Pradesh facility will be the first to begin production.

Biocides and bio-fertilizers - V The increased and continuous demand for biocides and bio-fertilisers among Indian farmers instead of chemical fertilisers showcases a quiet and steady tectonic shift in rural farmlands across India. Camson is at the forefront of this movement by providing agri-solutions which are sustainable, effective and economical. The company launched 2-3 more variants in this quarter with more innovations in the biocide segment in the pipeline for the year ahead. These variants cater to the control of fruit borer and mealy bugs. Having tested the products extensively across various geo-climatic conditions the company is very confident about their acceptance in the farming community.

The demand for Calbahar, Camson's granular biocides, which control nematods, white grubs and soil pathogens, continued during the quarter and it leads to crop yield enhancement and quality.

The company is focussed on increasing market share and also create a pan India reach to agriculture farmlands and communities. As a first step, the company is targeting farmers who grow export oriented crops; it is also reaching out to farmers who have not been able to find remedial solution for a particular pest/disease. The company, along with strengthening its R&D pipeline for commercialization of its innovation seed variety, is also creating a pan India agri-distribution and marketing set up to reach every Indian farmer.