

kaveri seed company limited



27th May 2019

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 Q4& FY 2019 Results Announced on 27th May, 2019-Reg

Please find attached herewith Presentation of Kaveri Seed Company Limited Q4 & FY 2019 Results announced on 27th May, 2019. The same was displayed at our Company's website at 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 - Q4 & FY19



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

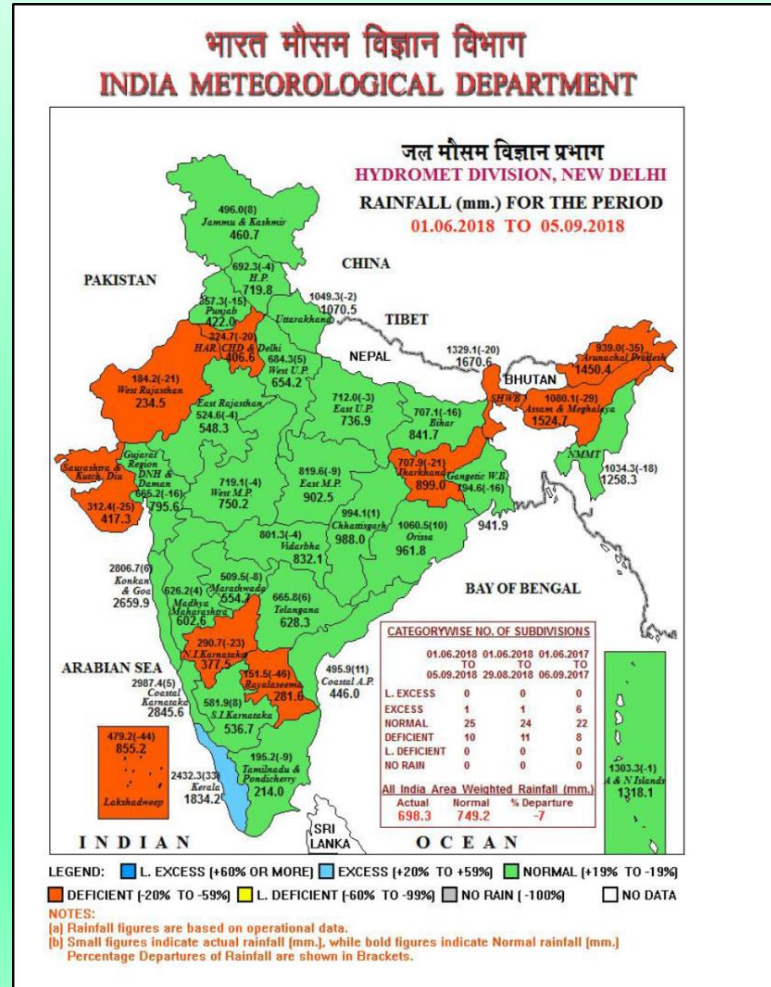
- Overall rainfall was delayed & deficient with wide variation resulted in lower sowing area in most crops during FY19
- This affected market sentiments and lead to reduced acreage and farmers down trading
- Commodity prices of cotton and maize have firmed up during the quarter
- Attractive prices for fine rice gave boost to Selection Rice market
- Commodity prices have remained lucrative for cotton in the later part despite lower yields due to Pink Bollworm incidence
- Bajra areas severely impacted due to late and deficient rains
- Hot pepper sowing improved considerably over last year which was badly impacted due to poor commodity prices
- Crop-wise area coverage during Rabi 2018-19: As on Feb 15, 2019.

Area in lakh hectare

State	2018-19	2017-18	YoY Abs Change
Cotton	120.64	121.72	-1.08
Maize	15.49	17.2	-1.71
Rice	33.96	39.64	-5.68
Bajra	0.13	0.32	-0.19
Pulses	156.3	166.11	-9.81
Oilseeds	80.48	80.98	-0.50

Source: agricoop.nic.in

Industry Backdrop - All India Rainfall



Industry Backdrop - Cotton



Area coverage during Kharif 2018
as on Sep 29, 2018

Area in lakh hectare

State	2018-19	2017-18	YoY Abs Change
Andhra Pradesh	5.51	5.95	-0.44
Telangana	17.94	18.66	-0.72
Gujarat	27.09	26.36	0.73
Haryana	6.65	6.56	0.09
Karnataka	5.48	4.77	0.71
Madhya Pradesh	6.97	5.99	0.98
Maharashtra	41.23	42.05	-0.82
Odisha	1.57	1.45	0.12
Punjab	2.84	3.85	-1.01
Rajasthan	4.96	5.03	-0.07
Tamilnadu	0.22	0.76	-0.54
Others	0.17	0.29	-0.12
All India	120.64	121.72	-1.08

Source: Directorate of Cotton Development, Nagpur

- Fear of Pink Bollworm as well as delayed rainfall in some markets have impacted sales
- Sowing happened much later this year than last year in Central and South India
- Overall North Cotton market has been stable - Punjab saw a de-growth
- Use of Illegal Herbicide Tolerance was found in all states this year despite Govt efforts to curb this problem . Largely as a result of farmers to farmers selling
- Pink Bollworm reported in early stages this year. Govt and private companies are running Campaigns to create awareness among farmers to prevent loss

Industry Backdrop - Maize



Area coverage during Rabi 2018-19
as on Feb 15, 2019

Area in lakh hectare

State	2018-19	2017-18	YoY Abs Change
Karnataka	1.30	0.99	0.31
Maharashtra	2.67	2.08	0.59
Uttar Pradesh	0.59	0.16	0.43
Telangana	1.69	1.40	0.29
Bihar	4.44	4.70	-0.26
Gujarath	1.02	0.96	0.06
Jharkhand	0.07	0.10	-0.03
Orissa	0.03	0.17	-0.15
West Bengal	0.96	1.14	-0.18
Andhra Pradesh	1.97	2.25	-0.28
Arunachal Pradesh	0.09	0.10	-0.01
Rajasthan	0.05	0.18	-0.13
Tamilnadu	1.42	1.77	-0.36
Others	0.16	0.21	-0.05
Total	16.50	17.21	-0.70

- On the back of fear of Fall Army Worm, the sentiments for Maize have been subdued
- Overall acreage of Maize has reduced thus far this year compared to the previous year

Industry Backdrop - Commodity Prices Cotton



State	Prices May, 2019	Prices May, 2018	% Change(Over Previous Year)	Prices April, 2019	% Change(Over Previous Month)
Andhra Pradesh	5877		—	5789	1.53
Gujarat	5790	4624	25.23	5901	-1.87
Haryana	6264	5051	24.00	6081	3.01
Karnataka	6132	4414	38.93	5762	6.42
Madhya Pradesh	5841	4690	24.53	5814	0.46
Maharashtra	6252	4551	37.38	6080	2.82
Odisha		4309	—		—
Punjab	1840	4270	-56.91	5903	-68.83
Rajasthan	6466	5019	28.82	6196	4.36
Tamil Nadu	5906	5149	14.70	5760	2.55
Telangana	5935	4602	28.96	5850	1.44
Average	5630	4668		5914	

Source: AGMARKNET

Industry Backdrop - Commodity Prices Maize



State	Prices May, 2019	Prices May, 2018	% Change(Over Previous Year)	Prices April, 2019	% Change(Over Previous Month)
Andhra Pradesh	1937		—	1879	3.09
Assam	1357	1280	6.08	1583	-14.27
Chattisgarh	1806	1199	50.69	1829	-1.26
Gujarat	1962	1320	48.64	2120	-7.44
Haryana	1800	1391	29.40	1840	-2.17
Rajasthan	1961	1339	46.44	2146	-8.66
Punjab	1840	1098	67.64	1846	-0.31
Karnataka	2051	1119	83.20	2050	0.04
Madhya Pradesh	1817	1135	60.13	2008	-9.51
Maharashtra	1971	1176	67.61	2060	-4.36
Odisha	1682	1254	34.07	1632	3.05
Rajasthan	1961	1339	46.44	2146	-8.66
Tamil Nadu	2074	1298	59.85	2150	-3.51
Telangana	1847	1380	33.87	1794	2.97
Uttar Pradesh	1878	1343	39.86	1856	1.22
Average	1927.3	1436.94		1977.42	

Source: AGMARKNET

FY19 Business Highlights



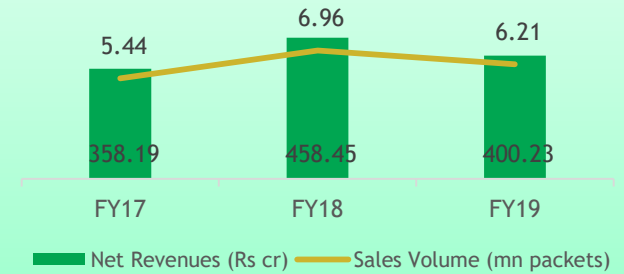
- **Launched corn cob drying facility at Molangur - Karimnagar in Telangana**
 - The plant is Asia’s largest and the first of its kind cob dryer
 - The capacity of the cob drying facility is 1,456 Mt per cycle which is distributed across 36 Bins
 - Helps increase germination and vigour and also the shelf life of seeds thereby helping the company to manage the inventory better
- Focused initiatives taken towards enhancing all round productivity
- **New techniques introduced to proactively reduce impact of Fall Army worm and Pink Bollworm**
 - During the year there was some instance of Pink Bollworm. Intensity however was far less than previous year - thrust on farmer education
 - Instances of Fall Army worm particularly in the state of AP saw a decline in maize acreages
- Increasing cotton presence in North India - new launches well accepted
- Encouraging response from farmer community to new launches of hybrid rice
- **Intensive focus on R&D -**
 - Encouraging growth in vegetable seeds
 - World class operations now further equipped with large scale refrigerated warehouses
- Successfully implemented SAP across organisation. The ERP system is best-in-class for manufacturing units

FY19 Crop wise detail

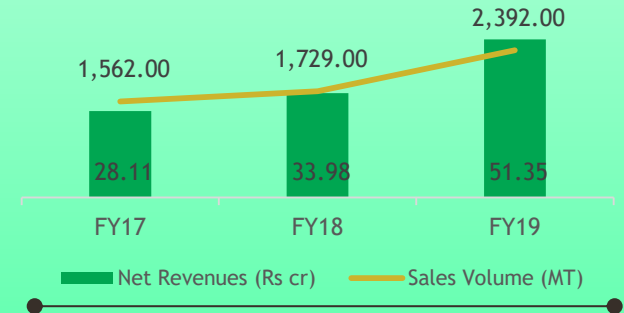
- **Cotton:** Kaveri volumes decreased by about 11% in FY19
 - Gained cotton seed market share in Gujarat, Maharashtra & Northern Markets
 - Contribution of new product went up from 17% to 20% of volume
 - Money Maker Scale up across market this year. 2 new Cotton hybrids under demonstrations with farmers. Performance of Money Maker appreciated by farmers across markets
- **Maize** volumes decreased of 4% in FY19
 - Government business volumes doubled compared to last year
 - In maize, new hybrid Drona scale up done across market with good growth. 2 new hybrids in maize launched in Kharif
- **Bajra** Sales declined over last year
 - Spread of new products done across markets in Bajra in Kharif
- **Non cotton** business has grown significantly by about 17% driven by volume growth in new hybrids and also price appreciation in key products

- **Hybrid Rice** volumes increased by 38% in FY19
 - Introduction of new hybrid 468 helped > 200% growth
 - Govt Business doubled in Hybrid rice in FY19
 - Contribution of new product went up from 29% to 36% of volume
 - In hybrid rice, new hybrid scale up with tremendous growth across markets with more than 2X growth in 468 & 475
- **Selection Rice** volumes grew by 43% in FY19
 - Contribution of new products went up from 13% to 20%
 - In selection rice, consistent performance across geographies. New products scale up done with tremendous growth in Coastal King, Elito & Shireen across markets

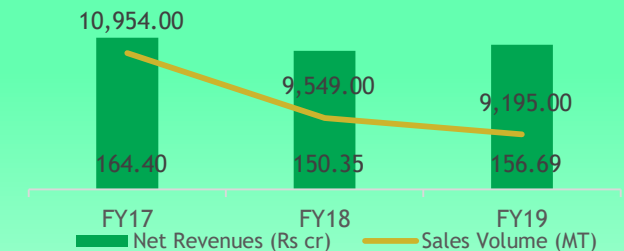
Cotton seed revenue & volumes



Hybrid Rice seed revenue & volumes



Maize seed revenue & volumes



Outlook

- High commodity prices across the board translating to increasing acreages
- Subject to a normal monsoon, Kaveri optimistic of delivering good growth across all crops
- Cotton
 - New launches in cotton in expected to result in improved marketshares in North India
 - Acreages expanding, prices seen to be firming up
- Rice
 - Hybrid Rice outlook positive on the back of introduction of good products
 - Selection rice market saw a positive trend due to improved SRR consistency
- Maize
 - Subject to containing disease impact outlook positive
 - Healthy growth expected in Drona, Profit, KMH 3712, KMH 463 and KMH 3089
- Vegetables, Pearl millet
 - New hybrids across Hot Pepper, Okra, Tomato, Sweet corn and Gourds combined with strong R&D focus expected to translate to continued strong performance
 - Pearl millet performing well



Q4 AND FY19 PERFORMANCE

Q4 & FY19 Performance Review



	Standalone						Consolidated		
Rs. lakhs	Q4FY19	Q4FY18	Growth (%)	FY19	FY18	Growth (%)	FY19	FY18	Growth (%)
Net Sales	4,472.18	4,160.46	7.49	76,898.90	77,240.30	(0.44)	80,941.81	81,937.48	(1.22)
Cost of Production	2,412.24	2,613.84	(7.71)	41,152.19	39,774.99	3.46	42,400.84	41,834.38	1.35
Gross Profit	2,059.93	1546.62	33.19	35,746.71	37,465.31	(4.59)	38,540.98	40,103.10	(3.90)
<i>Gross Margin (%)</i>	46.06	37.17	23.91	46.49	48.50	(4.16)	47.62	48.94	(2.71)
Employee cost	1,213.13	1,169.32	3.75	4,548.92	4,485.33	1.42	5,505.77	5,439.26	1.22
Other Expenses	1,440.10	1,711.39	(15.85)	10,641.34	11,179.33	(4.81)	11,870.88	12,482.19	(4.90)
Other income	237.28	138.17	71.73	4,286.77	2,369.46	80.92	4,299.46	2,367.07	81.64
EBITDA	(356.02)	(1,195.92)	(70.23)	24,843.22	24,170.11	2.78	25,463.79	24,548.72	3.73
<i>EBITDA Margin (%)</i>	(7.96)	(28.74)	(72.31)	32.31	31.29	3.24	31.46	29.96	5.00
Depreciation	586.78	524.32	11.91	2,117.65	2,335.19	(9.32)	2,295.20	2,507.73	(8.47)
Finance Cost	3.33	4.71	(29.30)	12.52	39.96	(68.67)	54.69	60.41	(9.46)
PBT	(946.12)	(1,724.95)	(45.15)	22,713.05	21,794.96	4.21	23,113.89	21,980.59	5.16
PAT	(1,143.97)	(1,837.52)	(37.74)	21,472.86	21,034.21	2.09	21,740.46	21,141.05	2.84
<i>PAT Margin (%)</i>	(25.58)	(44.17)	(42.08)	27.92	27.23	2.54	26.86	25.80	4.10

Balance Sheet Summary



Rs. lakhs	Standalone		Consolidated	
	As on March 31, 2019	As on March 31, 2018	As on March 31, 2019	As on March 31, 2018
Shareholders Fund	101,295.95	102,123.13	100,625.15	101,183.12
Long-term Debt	187.06	187.82	678.06	287.82
Fixed Asset Turnover (times)	3.20	3.53	3.20	3.55
Current Assets / Current Liabilities (times)	2.37	2.91	2.37	2.85

Rs. lakhs	Standalone		Consolidated	
	As on March 31, 2019	As on March 31, 2018	As on March 31, 2019	As on March 31, 2018
Inventories	60,472.87	47,978.63	61,432.27	48,858.30
Trade Receivables	6,484.67	6,393.34	8,461.61	8,593.03
Trade Payables	23,507.99	21,287.48	24,113.68	22,023.48
Other current liabilities	24,978.05	18,075.21	25,460.88	19,067.47
Non Cash Net Current Assets (No. of Revenue Days)	317.98	357.53	309.87	339.42

Cash investments as on 31 March 2019

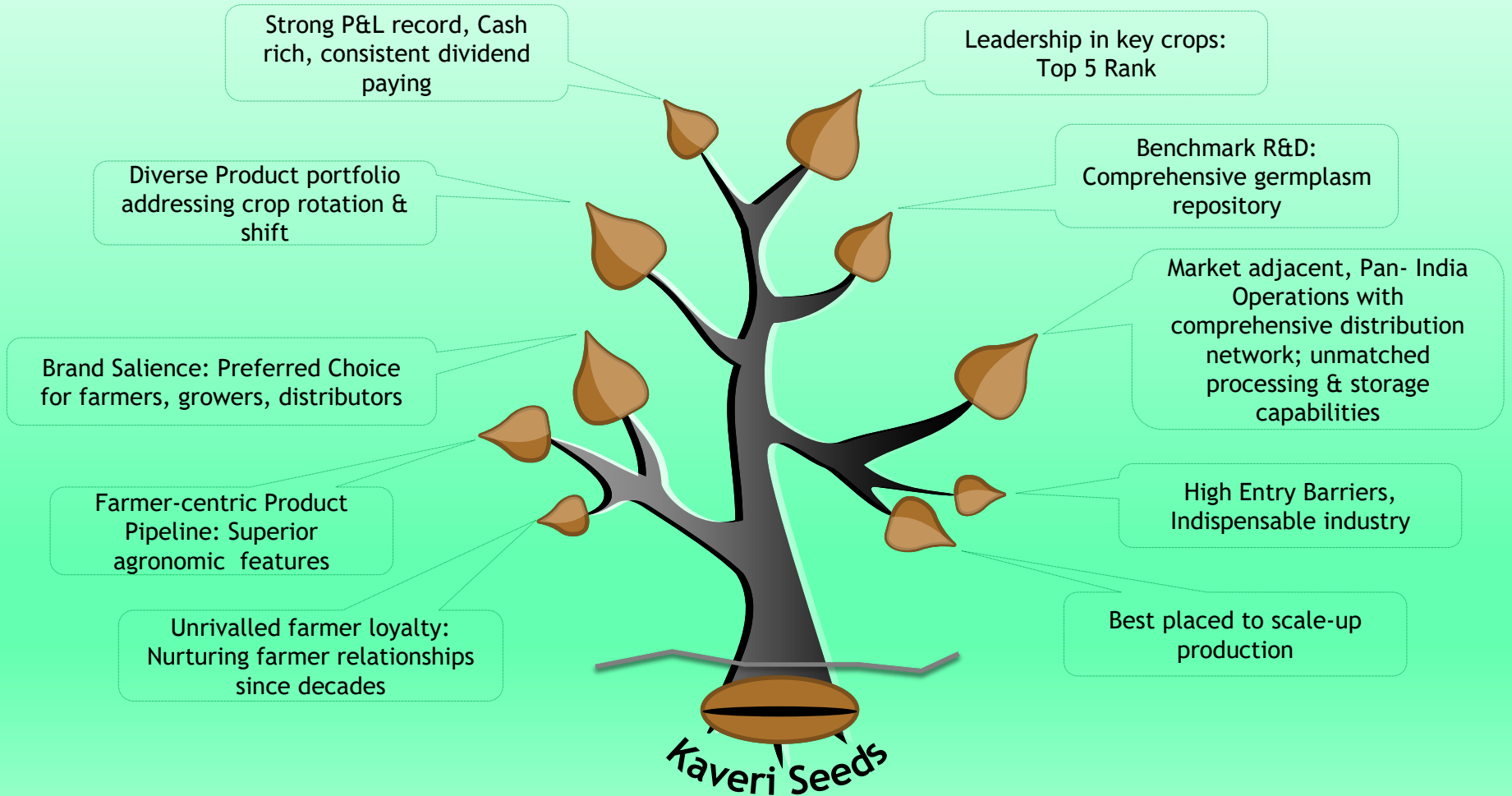
Rs.in Lakhs

All figures based on cost

Fund House	Liquid	Liquid Plus	FMP	Medium Term	Short Term	Total
ASK					2,991	2,991
BIRLA		10	2,100	880	1,220	4,210
FRANKLIN			500			500
HDFC			4,905	1,100	3,800	9,805
ICICI	2,212	500	2,991	450	3,703	9,857
IDFC		59		1,100	316	1,475
KOTAK		4,000	500			4,500
IIFL					2,705	2,705
RELIANCE	400	259	600		5,300	6,559
SBI	900					900
UTI			648	700		1,348
TOTAL	3,512	4,828	12,244	4,230	20,035	44,850

Total cash on books of Rs. 462 crore as on 31 March, 2019

The Kaveri Moat: Seeding Profitable Growth



Investor Contacts



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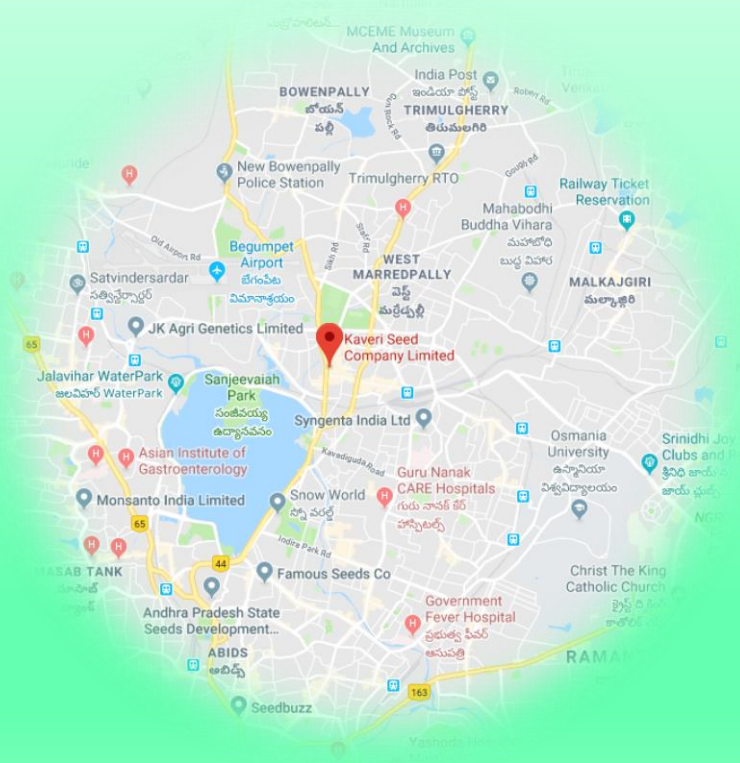
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THANK YOU