

27th October 2017

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 Q2 & H1 FY 2018 Results Announced on
27th October 2017 - Reg.*

Please find attached herewith Presentation of Kaveri Seed Company Limited Q2 & H1 FY 2018 Result Announced on 27th October 2017. The same was displayed at our company's website : 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 seeds®



Kaveri Seed Company Limited

Results Presentation – Q2 & H1 FY18



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.



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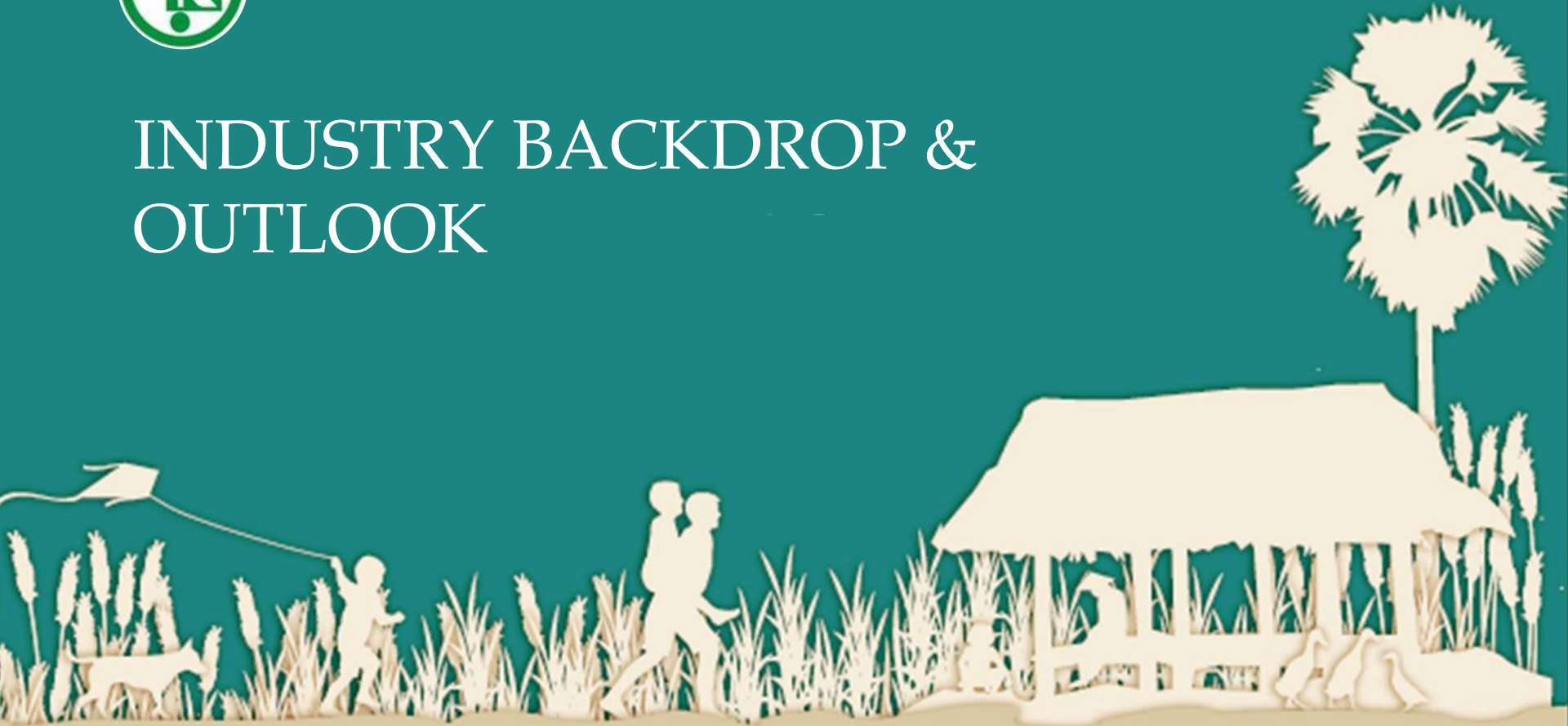
**Industry
Backdrop & Outlook**

**Quarterly
Performance**





INDUSTRY BACKDROP & OUTLOOK





Industry Backdrop

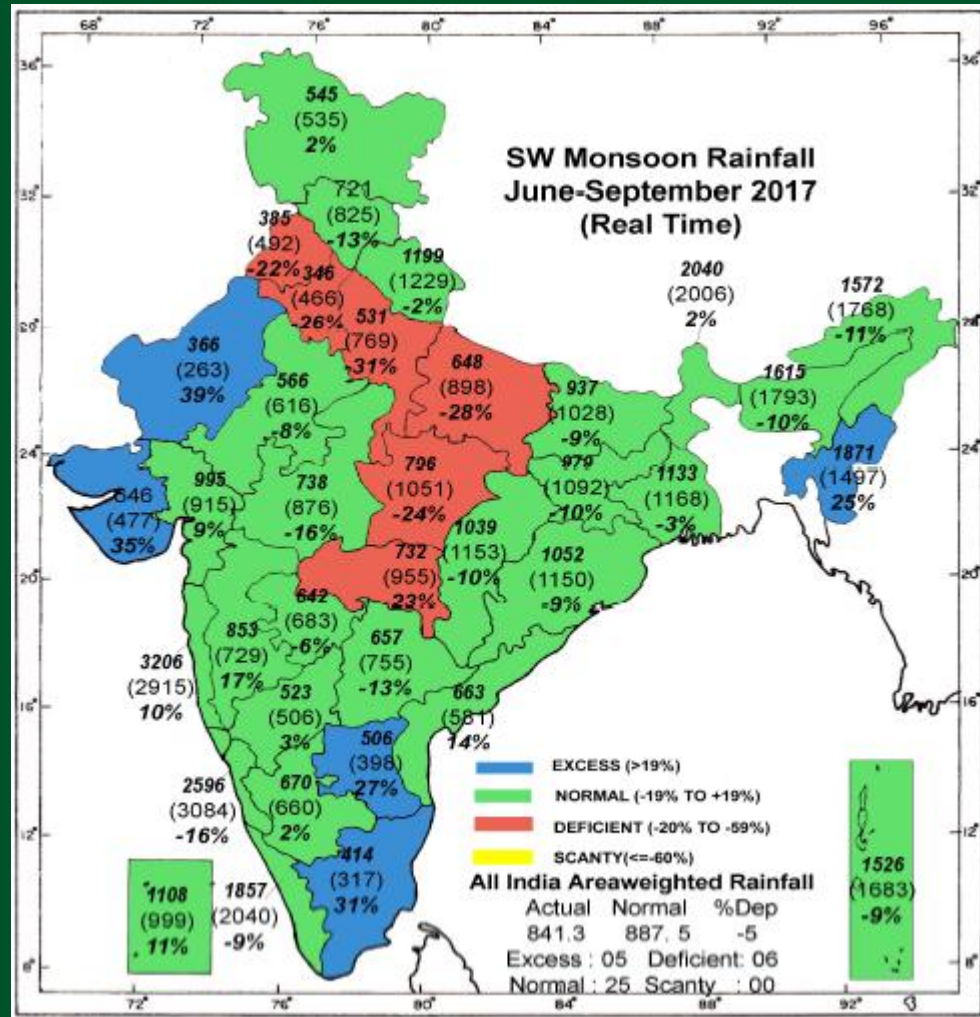
- Seed Industry Sales trend compared to last year
 - Cotton ++
 - Maize -
 - Hybrid Rice +
 - Selection Rice ++
 - Bajra +
 - Vegetables -
- Overall rainfall was normal but with wide variation
- Dry spell in August impacted yield of crops like maize, soybean and other short duration crops
- Late rains impacted crop in many areas
- Late withdrawal of monsoon helped moisture build up for Rabi season
- Tamil Nadu recovered from last year drought
- Vegetable market has been challenging for industry in H1
- Commodity prices have remained flat

- Crop-wise area coverage during Kharif 2017:
As on September 29, 2017

Crops	Area in lakh hectare		
	2017	2016	YoY Change %
Cotton	122.6	102.8	19.3
Maize	80.5	84.2	(4.4)
Rice	379.1	382.4	(0.9)
Bajra	71.8	70.4	2.0
Pulses	142.0	147.5	(3.7)
Oilseeds	173.4	190.3	11.7



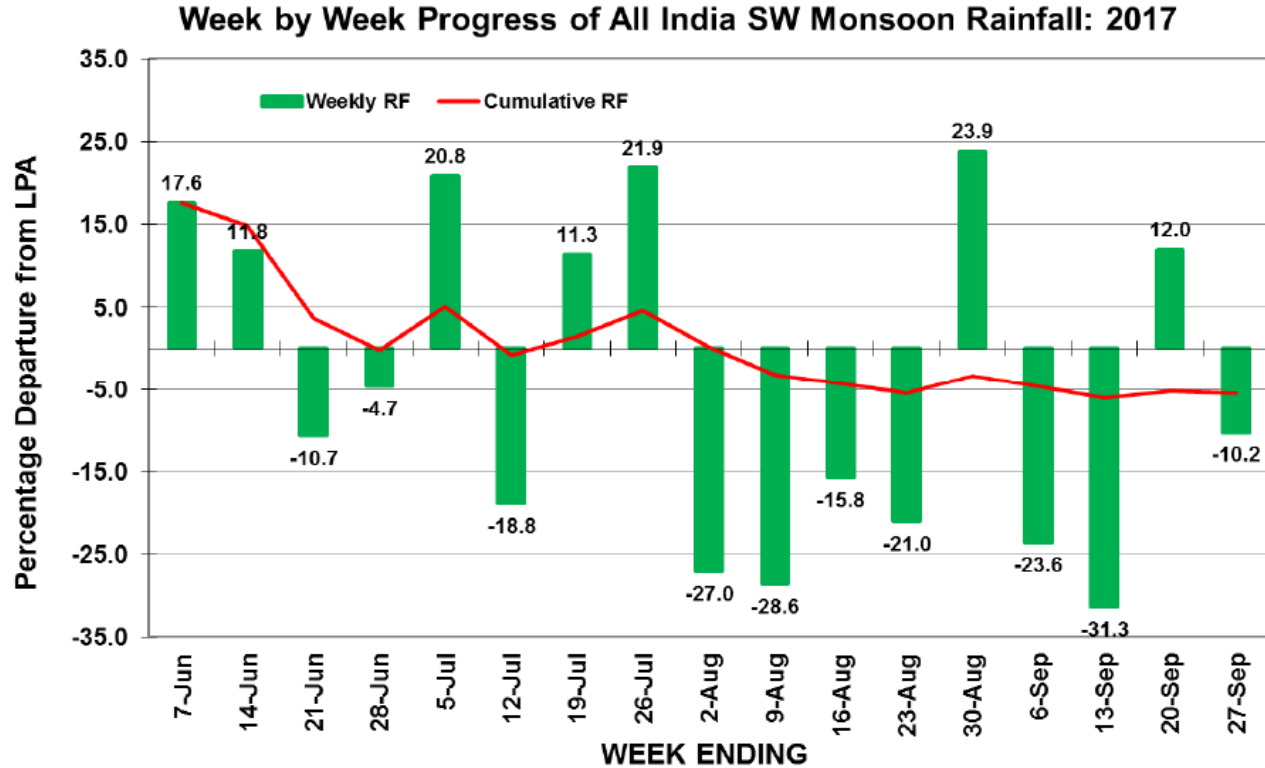
Industry Backdrop – All India Rainfall



Source: IMD



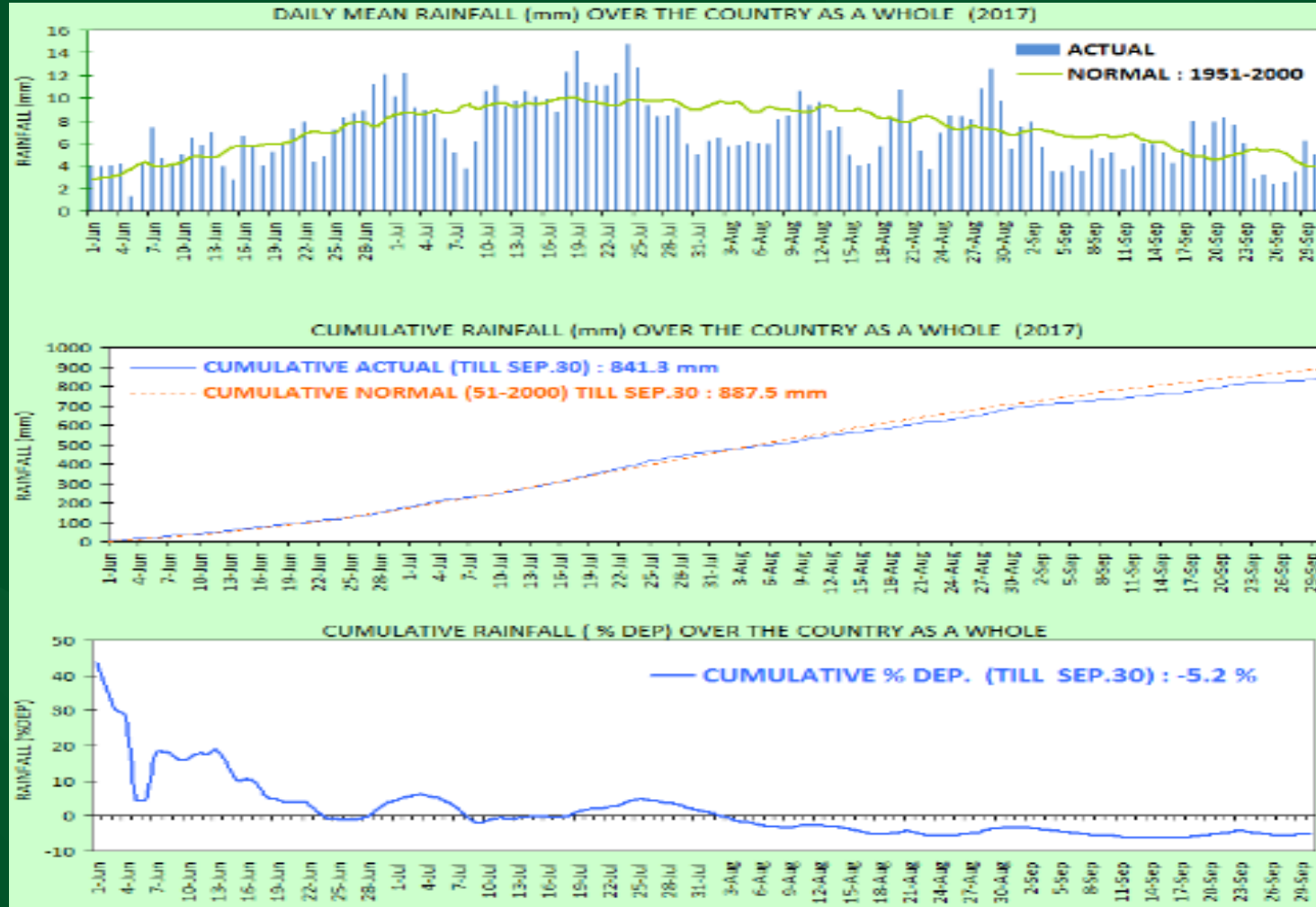
Industry Backdrop – All India Rainfall



Source: IMD



Industry Backdrop – All India Rainfall



Source: IMD



Industry Backdrop - Cotton

Area coverage during Kharif 2017
as on September 29, 2017

State	Area in lakh hectare		
	2017	2016	YoY Change %
Andhra Pradesh	6.1	4.4	40.1
Telangana	19.1	12.4	54.4
Gujarat	26.4	24.0	9.6
Karnataka	4.9	4.4	12.8
Madhya Pradesh	6.0	6.0	0.0
Maharashtra	42.1	38.1	10.4
Haryana	6.6	5.2	27.1
Punjab	3.9	2.6	50.4
Rajasthan	5.0	3.8	30.8
Others	2.6	2.0	32.5
Total	122.6	102.8	19.3

Source: Directorate of Cotton Development, Nagpur

- One of the best year for cotton
- Sowing happened much earlier than last year in Central and South India
- North Cotton market growth was much higher than All India on the back of good crop last year
- Use of Illegal Herbicide Tolerance was found in few states
- September rains impacted quality and quantity for early picking
- Pink Bollworm reported in few places. Prophylactic spray by farmers to prevent damage by pink bollworm has gone up
- Commodity prices are at lower levels compared to last year. However, Cotton still the most profitable crop as compared to other crops



Industry Backdrop - Maize

Area coverage during Kharif 2017
as on September 29, 2017

Area in lakh hectare

State	2017	2016	YoY Change %
Madhya Pradesh	13.2	12.6	4.3
Rajasthan	9.1	9.3	(2.4)
Karnataka	11.3	12.8	(12.0)
Maharashtra	9.1	9.2	(0.9)
Uttar Pradesh	7.3	7.8	(7.0)
Telangana	4.5	5.9	(22.9)
Bihar	4.1	4.3	(5.3)
Gujarat	3.1	3.2	(5.2)
Himachal Pradesh	2.9	3.0	(1.0)
Jharkhand	2.8	2.9	(0.7)
Orissa	2.3	2.3	0.4
Chhattisgarh	2.3	2.3	0.4
Jammu and Kashmir	2.0	2.0	(0.5)
Punjab	1.4	1.5	(6.9)
Andhra Pradesh	1.0	0.8	25.6
Others	3.3	3.3	1.2
Total	80.6	83.9	(4.0)

- Telangana and Karnataka constitute more than 1/3 of organized market in Kharif Hybrid Maize seed sales
- Telangana and Karnataka contributed to nearly 2/3 of KSCL's Kharif maize sales in FY17
- Farmer down traded in few states due to tough market conditions
- Karnataka market recovered in the second half of the season due to late sowing. However, market still lower than last year
- Productivity impacted due to weather fluctuation



Outlook

Industry

- Rains in September and late withdrawal of monsoon lead to soil moisture build up which will be helpful for a good Rabi season
- Vegetable sale expected to pick up in H2
- Demand for seed production likely to up in Rabi as industry likely to build up inventory
- Maize area in Bihar looks positive

KSCL

- Rabi Maize acreage and export volumes looks positive
- Plans in place for scaling up rabi seed production
- Returns received well in time. Inventory profile is much better and discard likely to be lesser than previous years



QUARTERLY PERFORMANCE





Q1 FY18 Performance Review

Profitability impacted by:

- Strong topline growth contributed to by sales across both cotton and non cotton
- Other income lower as a result of lower redemptions
- Cost of production lower as a result of significantly lower write offs

Standalone

Rs. lakhs	H1 FY18	H1 FY17	Growth (%)	Q2FY18	Q2FY17	Growth (%)
Net Sales	66,015.91	56,177.32	17.51	6,960.04	6,776.43	2.71
Cost of Production	33,184.60	31,574.18	5.10	2,470.39	4,121.47	(40.06)
Gross Profit	32,831.31	24,603.14	33.44	4,489.65	2,654.96	69.10
<i>Gross Margin (%)</i>	<i>49.73</i>	<i>43.80</i>	<i>13.56</i>	<i>64.51</i>	<i>39.18</i>	<i>64.64</i>
Employee cost	2,348.70	1,859.54	26.31	1,167.89	784.70	48.83
Other Expenses	8,321.06	6,580.07	26.46	1,847.99	1,532.71	20.57
Other income	2,069.05	2,248.56	(7.98)	1,640.31	1,704.70	(3.78)
EBITDA	24,230.60	18,412.09	31.60	3,114.08	2,042.25	52.48
<i>EBITDA Margin (%)</i>	<i>36.70</i>	<i>32.77</i>	<i>11.99</i>	<i>44.74</i>	<i>30.14</i>	<i>48.46</i>
Depreciation	1,236.06	1,504.39	(17.84)	605.91	724.51	(16.37)
Finance Cost	30.68	3.72	724.73	6.63	2.20	201.54
PBT	22,963.86	16,903.98	35.85	2,501.54	1,315.54	90.15
PAT	22,328.30	16,211.35	37.73	2,090.62	774.45	169.95
<i>PAT Margin (%)</i>	<i>33.82</i>	<i>28.86</i>	<i>17.21</i>	<i>30.04</i>	<i>11.43</i>	<i>162.83</i>



Consolidated Balance Sheet Summary

Rs. Lakhs	As on Sep. 30, 2017	As on Sep. 30, 2016
Shareholders Fund	102,577.95	110,924.63
Long-term Debt	163.86	163.86
Fixed Asset Turnover (times)	1.94	1.83
Current Assets / Current Liabilities (times)	3.12	3.82

Total cash on books of Rs . 422 crore as on 30 September, 2017

Rs. Lakhs	As on Sep. 30, 2017	As on Sep. 30, 2016
Inventories	37,292.64	34,703.79
Trade Receivables	25,558.27	25,017.57
Trade Payables	21,747.17	17,969.25
Other current liabilities	4,702.01	5,728.18
Non Cash Net Current Assets (No. of Revenue Days)	411.82	569.10



Cash investments as on 30 September 2017

Rs.in Lakhs

All figures based on cost

Fund House	Liquid Plus	FMPs	Short Term	Medium Term	Total
ASK	-	-	-	2,616	2,616
BIRLA	-	-	2,215	2,700	4,915
HDFC	-	4,905	-	3,800	8,705
ICICI	1,132	780	2,750	3,703	8,366
IDFC	1,286	-	-	1,100	2,386
IIFL	-	-	-	2,500	2,500
KOTAK	4,000	-	-	350	4,350
RELIANCE	1,253	-	-	5,300	6,553
TATA	297	-	-	-	297
UTI	-	-	500	-	500
Total	7,968	5,685	5,465	22,069	41,188

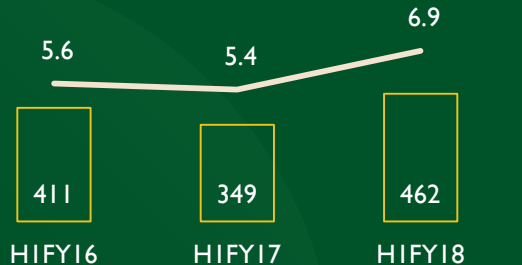
Total cash on books of Rs . 422 crore as on 30 September, 2017



Q2 & H1 FY18 Operational Highlights

- Cotton Kaveri volumes grew by 28% in H1
 - Gained cotton seed market share in Gujarat, Maharashtra, Karnataka
- Maize volumes dropped by 12 % YoY in H1, Q2 volumes up by 13%
 - Market dropped in key Kaveri states of Telangana and Karnataka
 - Government business volumes dropped compared to last year
- Hybrid Rice volumes increased by 8% in H1 inspite of drop in govt business
 - Introduction of new hybrid helped
 - Contribution of new product went up from 1% to 15% of volume
- Selection Rice volumes grew by 42% in H1
 - Contribution of new products went up from 3% to 12%
- Bajra - Volume has dropped but new product contribution is up
 - New product contribution has gone up from 6% to 14% of volume
- Sunflower volume has doubled in H1 FY18 compared to H1 FY17
- 2 new cotton hybrids launched and 2 new cotton hybrids under demonstrations with farmers
- Performance of Money Maker appreciated by farmers
- 3 new hybrids launched in maize for kharif season. 2 new hybrids in maize to be launched in rabi season
- 2 new maize hybrids under demonstration
- 4 new hybrids in pearl millet in kharif season under demonstration
- 1 new hybrid launched in hybrid rice and 4 new products launched in selection rice. KPH 468 13x growth. Consistent performance across geography. Plan in place to ramp up in coming year
- 1 new hybrid in hybrid rice and 2 new products in selection rice under demonstration

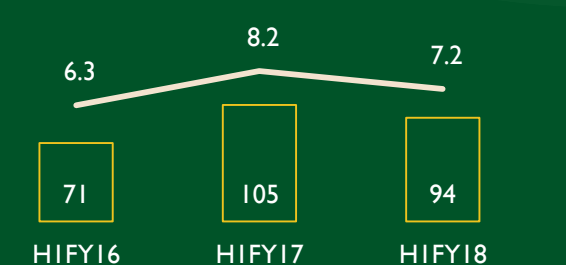
Cotton seed revenue & volumes



Hybrid Rice seed revenue & volumes



Maize seed revenue & volumes



Net Revenues (Rs cr) Sales Volume (mn packets)

Net Revenues (Rs cr) Sales Volume ('000 tons)

Net Revenues (Rs cr) Sales Volume ('000 tons)



Growth Strategy – Initiatives FY18

Diversification

Non cotton business stronger - reducing dependence on cotton

- Cotton growth has been more than other crops this quarter but the strategy is to grow non cotton business as well
- Selection Rice volume increased by more than 40%
- Hybrid Rice and Bajra looking positive with new product contribution going up

Nurturing Vegetables business

- Increased investment in R&D
- Demonstration of more than 50 different product in farmer field

Spreading geographical footprint

- Focused on strengthening distribution network beyond South and Central India, to northern, eastern and western geographies
 - Bihar >50% growth
 - Jharkhand >100% growth
 - Orissa >50% growth
 - West Bengal >200% growth
 - Gujarat >50% growth
 - Maharashtra >50% growth

Organizational Capability

Human Capital

- Appointed new R&D head, significantly strengthening the core team – had appointed Supply Chain , Marketing heads for Field Crop and Vegetable in last two years
- Beefed up mid-level talent across verticals
- Increased resourcing in R&D
- Built exclusive Vegetables sales team of more than 25 dedicated employees from 4 same time last year

Processes

- Human Resource Management System being implemented for efficient management
- SAP implementation in progress
- Increased number of multi-locational trials in R&D for product evaluation

Infrastructure

- Purchased 24 acre land in Telangana for R&D and future expansions

Increased visibility and mindshare

Farmer Connect

- Increased number of demonstration of pre commercial products
- Increased number of below the line activities to connect with farmers

Channel Engagement

- Mapping of retailer and focus on key retailers
- Improved engagement with Channel partners with more meetings

Supply Chain

Deliver volumes as per growth plan

- Cotton planting completed in four strategic location as per plan
- Rabi scale up plan in place

Establish Vegetable seed production

- Increased vegetable seed production area for catering to FY19 plan

Improve efficiency in operations

- Improved recovery rates of selection rice in new Mulangoor plant
- Leverage Mulangoor plant to handle higher thru-put

Improve seed quality

- Reduced raw seed failure compared to last year in Maize and Cotton.

Reinforce cotton leadership

Expanding footprint outside of Telangana/ Andhra Pradesh and Karnataka

- Significant growth and market share gain in Gujarat and Maharashtra

Increased R&D effort in North New Products

- Money Maker ramp up positive
- New product contribution up from 7% to 17%



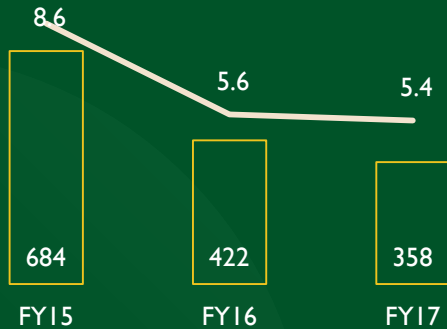
Leadership Product Portfolio

Kaveri's cotton seed volume break-up

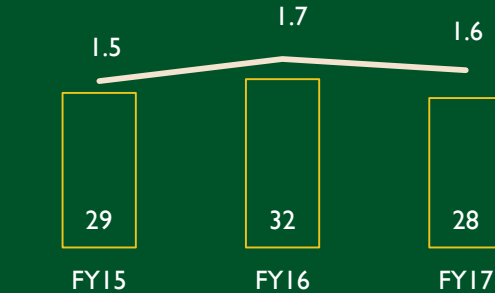
(m packets)	FY15	FY16	FY17	H1 FY18
AP & Telangana	5.42	3.42	2.92	3.20
Maharashtra	1.33	1.12	1.49	2.23
Karnataka	1.26	0.45	0.42	0.68
Gujarat	0.16	0.25	0.24	0.41
Madhya Pradesh	0.16	0.16	0.19	0.21
Others	0.29	0.18	0.19	0.20
All India	8.63	5.59	5.44	6.93

- Kaveri is amongst the top three seeds companies in the cotton segment, and top five in the maize, paddy and pearl millet segments
- Combined, these crops account for more than 90% of revenues of the Indian hybrid seed industry

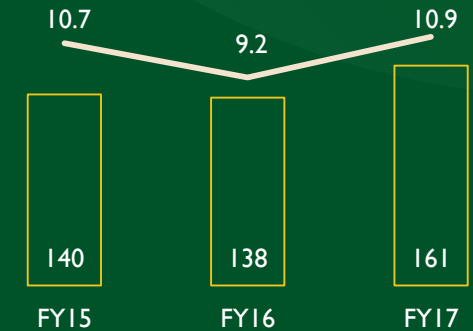
Cotton seed revenue & volumes



Hybrid Rice seed revenue & volumes



Maize seed revenue & volumes



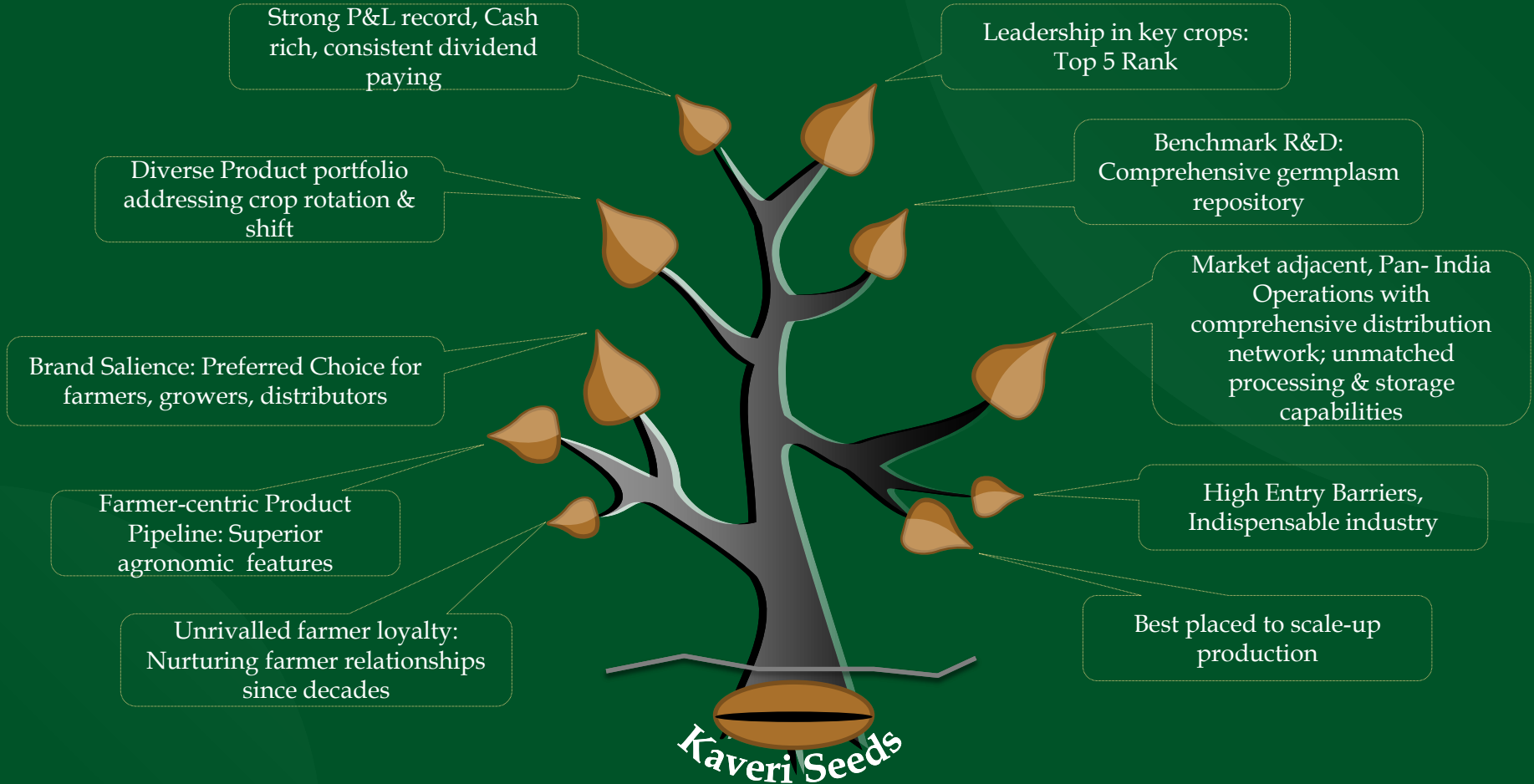
Net Revenues (Rs cr) Sales Volume (mn packets)

Net Revenues (Rs cr) Sales Volume ('000 tons)

Net Revenues (Rs cr) Sales Volume ('000 tons)



The Kaveri Moat: Seeding Profitable Growth





Investor Contacts

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THANK YOU