

kaveri seed company limited

31st Annual General Meeting

Chairman's Speech

21st September, 2018

Dear Shareholders,

On behalf of the Board of Directors of Kaveri Seed Company Ltd. and as its Chairman, it is my privilege and pleasure to extend a very warm welcome to all of you on the eve of 31st Annual General Body Meeting being held on this day of 21st September 2018. Your Directors and I, take this opportunity to compliment and thank our customers, shareholders, government, dealers, distributors, business associates and employees for their continued support and co-operation.

Your Company is striving its best to maintain the momentum of growth towards a bright future. I reassure you that your company stands dedicated to the cause of stepwise accretion and sustained growth to meet every stakeholder's expectation. The Company's clear vision and focus on customer satisfaction product excellence, quality, production efficiency and market dominance, enables the company to remain in the lead. I thank all the shareholders of the Company for their whole hearted support and cooperation in furthering the growth and progress witnessed till date.

All of you might have browsed the Annual Report of the Company for the year 2017-18. Annual Report 2017-18 reflects our performance as well as commitment towards growth with value creation for all our stakeholders. It is heartening to know that your Company's business has significantly improved on operational performance compared to yesteryear and recorded a strong financial growth.

Shaping a growth-oriented approach

Improved seed is a foundation for agricultural growth. Kaveri Seeds is one of the premier Indian seed companies making significant contribution to Indian Agriculture.

We undertake efficient and judicious planning for seed production, emphasising on a diverse set of geographies, to minimise our production-related risks and sharpen our competitive advantage. Our research concentrates on genetics, technology and sophisticated strategies to design and develop hybrids for multiple customer needs. With a strong R&D base and a vibrant distribution network, we have been marketing high-quality seed varieties for more than three decades. Our skills, creativity, expertise and experience, as well as the capacities and right product portfolio helps fulfil the aspirations of farmers and consumers of India and create sustainable value of shareholders.

We believe that innovation and strategic investment represents the cornerstone for sustainable development. To meet the growing demand for maize cob drying, we have added an advanced drying facility with a capacity of 1,500 tonnes per cycle, so as to achieve 9,000 tonnes in six cycles in a year. Further this year, we have established a 10 tonne-per-hour capacity processing plant at Mulangur.

We aspire to be the global market leader by following our vision and mission and producing top quality seeds. Our research efforts are based on our deep insights into our customer's

current & future needs. We focus on deploying modern techniques in our research in order to achieve our research goals in very efficient way.

Performing sustainably

During the year, India received substantial and timely rain fall. Our revenue from operations grew by 15%, from Rs.670 Crores in 2016-17 to Rs.772 Crores in 2017-18. Our EBITDA increased by 40%, from Rs.172 Crores in 2016-17 to Rs.242 Crores in 2017-18. Our PAT also witnessed a significant rise from Rs.78 Crores in 2016-17 to Rs.210 Crores in 2017-18.

Our investment in product innovation, design and development has borne encouraging outcomes with the launch of new hybrids in our mandate crops. The year marked a high success rate for our product development, with the commercial launch of hybrids in the field and vegetable crop segments, including Drona, Sultan and KMH 463 in maize; Money Maker in cotton; KPH-468 in rice; and Maximo, Singham and Supremo in bajra.

During the year, our new products showed encouraging results for our business. I am happy to share that six of our promising hybrids across different crop segments were notified and released by the Central Variety Release Committee (CVRC), Government of India, raising our overall tally of such CVRC-notified hybrids to 20. Our classic warhorses such as Jadoo, ATM and Super Boss, among others, continued to consolidate our position in the market. Our pipeline is rich with promising offerings for many important market segments.

Going forward, at Kaveri Seeds, new breeding strategies are in place to help us further increase our R&D efficiencies. We will continue to excel in the invention and development of superior products, primarily those that are suitable for India's different agro climatic conditions.

Reinforcing ties with communities

As a part of our corporate citizenship agenda, we undertake several sustainability initiatives in the rural communities of Gatla Narsingapur, Ramnagar and Bollena Pally, in Telangana, to help improve their quality of life. Our intervention in the areas of education, farmer welfare and community empowerment enable the rural residents be a part of India's socio-economic progress.

Way forward

I am deeply grateful for the steadfast dedication shown by our employees in the course of our journey. I thank the go getters of Kaveri Seeds for their untiring dedication, hard work and commitment.

On behalf of my colleagues on the Board, I would like to express my sincere gratitude to you – our customers, employees, suppliers, business partners and shareholders – for embracing our vision and propelling our initiatives. I am confident that with your continued support and encouragement, Kaveri Seeds will attain greater heights in the coming years. With several new initiatives underway, we look forward to another successful year ahead.

Thanking you all

G.V.Bhaskar Rao
Chairman & Managing Director