



kaveri seeds®

Date : 24/02/25



**FIN2RESEARCH**  
Investment Advisor Pvt. Ltd.

## TECHNO-FUNDA : KAVERI SEED COMPANY LIMITED

Buy Range : @ 970-990

Target : 1st @ 1040, 2nd @1190

Stock Info	
Mkt Cap (cr)	4,973.39
52-Weeks High/Low	1201.00/618.50
Traded Volume	122,000
No. of eq shares (cr)	5.00
Face Values	2.00
Bse Code	532899
Nse Code	KSCL
Free Float (cr)	1,933.90

Source : NSE/BSE

Particulars	2023	2024
P/E	9.96	11.42
P/B	1.95	2.56
EV/EBITDA	6.82	7.63
Quick Ratio	1.15	0.84
Current Ratio	2.45	1.96
ROCE	20.90%	23.85%
ROIC	18.72%	19.28%
ROA	13.82%	14.56%
ROE	20.54%	23.02%
DSO	40.81	39.04
DPO	149.18	150.60
DIO	542.35	534.64
Interest Coverage	4558.45	4415.72

Source : Company, Fin2Research

Particulars	9MFY25	9MFY24
Revenue	1,045	982
Cost of Production	563	522
Other Expenses	106	104
EBITDA	325	321
PAT	294.46	290.22

Source : Company, Fin2Research

Particulars	% of Total Shares
Promoters	60.50%
Mutual Funds/AIF	2.06%
Bank	0.00%
Other DII's	1.49%
FII	19.50%
Retails and Others	15.86%
Total	99.41%

Source : BSE

**About Company:** Kaveri Seed Company Ltd. is a leading seed company in India with over 30 years of industry experience and a strong R&D focus on developing high-quality hybrid seeds for key Indian crops. Founded in 1976 by Sri G.V. Bhaskar Rao, the company is engaged in research, production, processing, and marketing of hybrid seeds. With a portfolio of 125+ hybrids and varieties across field and vegetable crops, Kaveri Seed emphasizes high-yielding, resilient hybrids suited for diverse agro-climatic conditions. Its state-of-the-art biotechnology lab supports an integrated molecular breeding program, reinforcing traditional breeding with advanced biotech innovations. The company's grower network spans 12 agro-climatic zones, enhancing farmer productivity and strengthening its industry presence.

### Key Highlights:

- Revenue from operations grew 30.63% YoY to ₹154.77 crores in Q3 FY25, while EBITDA rose 12.77% to ₹25.09 crores and net profit increased 29% to ₹15.04 crores. For 9M FY25, revenue reached ₹1,044.61 crores (+6.3% YoY), EBITDA stood at ₹324.78 crores (+1.14%), and net profit rose 1.46% to ₹294.6 crores. The company maintains a strong cash position of ₹499 crores. Operationally, rice and maize segments saw robust growth, driven by higher volumes in selection and hybrid varieties, better realizations, and effective cost pass-through.
- For the first nine months of FY25, revenue from operations increased 6.3% to ₹1,044.61 crores, up from ₹981.89 crores in FY24. EBITDA saw a marginal growth of 1.14%, reaching ₹324.78 crores compared to ₹321.13 crores in the previous year. Net profit rose 1.46% to ₹294.6 crores, up from ₹290.22 crores in FY24.
- The Budget 2025 introduces key agriculture sector reforms, including the Dhan Dhanya Krishi Yojna, promotion of high-yield seed varieties, and crop diversification to enhance productivity and employment opportunities. These initiatives aim to improve farmer self-sufficiency, reduce rural-to-urban migration, and support higher agricultural exports and cross-border trade, strengthening the sector's overall growth.
- The company has launched new hybrids in cotton, with management expressing optimism about growth in the segment, indicating that this year may mark the bottom. The new cotton products are expected to drive significant revenue growth in the coming years. Additionally, management sees potential for hybridization in rice, though adoption remains gradual. The seed replacement ratio has improved from 25%-30% to 60%-70% over the past decade, signaling progress in the segment.
- The company continues to invest in capacity expansion, with a planned capital expenditure of ₹30-40 crores annually over the next 2-3 years. It remains committed to maintaining a strong distribution network across 23-24 states in India. Additionally, management is focused on developing hybrid seeds resistant to emerging pests and diseases caused by changing climatic conditions.
- Management anticipates a gradual improvement in margins as costs are passed on to farmers. While cotton prices remain stable, government price adjustments are expected in the coming months. The company remains optimistic about export growth, with plans to expand into new markets, despite recent declines due to political challenges.

### Key Risk :

- Regulatory changes in agriculture and biotechnology may significantly impact operations, affecting GM crops, intellectual property rights, and trade restrictions.
- Natural calamities like droughts, floods, and unseasonal rains can affect agricultural productivity, impacting seed demand.

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**RSI:** At **64.58**, the stock has **moderate strength**, indicating a continued uptrend, but it is approaching overbought levels. If RSI crosses 70, caution may be needed for potential profit booking.

**Support:** There is apparent support around ₹855. If the price falls below this level, it could signal a break in the uptrend.

**Bollinger Bands:** The Bollinger Bands are widening, which suggests increasing volatility. This could be a sign of an upcoming breakout or break down.

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- It is recommended to enter in a staggered manner within the prescribed range provided in the report.
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The suggestion is valid for 3-5 months; if we want to carry subsequent positions, we will contact via mail or other mode of communications.
- Once target1 achieved, use trailing stop loss of recommended average price.

**Portfolio Allocation:**

- It is not recommended to allocate entire corpus to a single stock or product without first understanding the risk and return associated with that stock or product.
- It is recommended to diversify the corpus in a proportionate manner among various techno-funda research reports and other reports as stated.

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