NATH SEEDS®
Nath Bio-Genes (I) Ltd.
(CIN L01110MH1993PLC072842)

02nd May 2025

The Manager-Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

The Manager-Listing
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra-Kurla Complex
Bandra (E)
Mumbai-400051

BSE Code-537291

NSE Code-NATHBIOGEN

Dear Sirs,

The Company had organized a conference call with the Investors/Analysts on Wednesday 30th April, 2025, post declaration of its Audited Financial results for the year ended 31st March 2025.

A copy of transcript of conference call held with Investors/Analysts is enclosed herewith and the same being uploaded on Company's website.

We request you to please take the above on record.

Thanking You

For Nath Bio-Genes (India) Limited

Amol Arunrao Gupta
Digitally signed by Amol Arunrao Gupta
Date: 2025.05.02 16:30:06 +05'30'

Amol Gupta
Chief Financial Officer

# "Nath Bio-Genes (India) Limited
# Q4 & FY '25 Earnings Conference Call"
# April 30, 2025

**MANAGEMENT:** **MR. SATISH KAGLIWAL – MANAGING DIRECTOR – NATH BIO-GENES (INDIA) LIMITED**
**DR. DEVINDER KHURANA – EXECUTIVE VICE PRESIDENT – NATH BIO-GENES (INDIA) LIMITED**
**MR. AMOL GUPTA -- CHIEF FINANCIAL OFFICER – NATH BIO-GENES (INDIA) LIMITED**
**MR. HARISH PANDEY – SALES LEAD – NATH BIO-GENES (INDIA) LIMITED**
**DR. VENKATESH KULKARNI – RESEARCH LEAD – NATH BIO-GENES (INDIA) LIMITED**

**MODERATOR:** **MS. DEEPIKA SHARMA – GO INDIA ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 and FY '25 Earnings Conference Call of Nath Bio-Genes Limited, hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the star, then zero on your touch-tone phone.

I now hand the conference over to Ms. Deepika Sharma from Go India Advisors. Thank you, and over to you, ma'am.

**Deepika Sharma:** Thank you, Steve. Good evening everyone and welcome to the Q4 and FY '25 earnings call of Nath Bio-Genes Limited. We have on the call Mr. Satish Kagliwal, Managing Director; Dr. Devinder Khurana, Executive Vice President; Mr. Amol Gupta, Chief Financial Officer; Mr. Harish Pandey, Sales Lead; Dr. Venkatesh Kulkarni, Research Lead.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in the conjunction with the risks the company faces.

May I now request the management to take us through the financials and business outlook, subsequent to which we will open the floor for Q&A. Thank you, and over to you, sir.

**Satish Kagliwal:** Thank you, Deepika, and a very good afternoon to everyone. I welcome you all to our Q4 and financial year '25 earnings conference call. I'm Satish Kagliwal, MD of the company. Financial year '25, the year gone by has been a year defined by resilience, innovation and meaningful progress for Nath Bio-Genes.

While Mr. Amol Gupta will shortly walk you through our financial performance, I would like to take a few moments to share some of the key strategic milestones we have achieved this year. At the heart of everything we do is a simple but powerful mission, a mission to support farmers with feeds they can rely upon, especially in these challenging times of climate change, pest risks and the constant push for better yield. And it is our strong focus on research and innovation that makes this possible.

Our scientists continue to strengthen our germplasm and create hybrids that are not only high yielding, but also offer better resistance against diseases and pests. Our green product basket continues to perform well. Our flagship cotton hybrids, Nath Sanket and Jumbo once again led the charge, achieving solid growth in both volume and value terms.

Importantly, our strategic focus on diversification is bearing fruit. Our non-cotton, non-paddy portfolio has emerged as a strong pillar of growth. Bajra led by our marquee product, Super-27, delivered a remarkable growth, while maize and wheat also reported healthy gains. Our vegetable seed business continues to evolve with energy and water. This year, we sharpened our focus on scaling high potential products like Akhand and hybrid chili, while new launches in cucumber and okra are steadily gaining market traction.

In a move to drive better synergy, we consolidated all three product verticals under a unified marketing leadership, ensuring sharper execution and stronger customer connect. On the plant nutrition front, our Win-Chi-Win brand has performed very well, delivering sound growth. We further expanded our portfolio with two new biotonic products, WINPro GOLii and [WINall **Granules** offering farmers more comprehensive solutions to boost crop growth and yield. These initiatives reflect our broader vision of becoming a trusted one-stop partner for agri export feeds.

From a market expansion perspective, we have made tangible progress on the international front. In the Philippines, we are in an advanced stage with our cotton and we are optimistic about commercial sales to the government in the coming season.

Meanwhile, our joint venture in Uzbekistan is progressing well. Marketing of our feeds is currently underway and the early results are encouraging. We have already secured large area for cotton production this year. Depending on results, we may replicate this model in neighbouring countries soon.

Naturally, not all challenges are within our control. Certain African geographies remain impacted by geopolitical uncertainty. Nevertheless, we remain confident in the long-term potential of our export markets, and we continue to pursue global opportunities with a calibrated and strategic approach.

Our infrastructure backbone has also been significantly strengthened with state-of-the-art cold storage units, warehouses and conditioning godowns with a cumulative capacity of 25,000 metric tons. Combined with the expertise of our scientific team and the strength of our genetic resources, Nath is well positioned for sustained leadership in the Indian seed industry.

As we reflect on financial year '25, the year gone by, I would like to express my deepest gratitude to all our stakeholders, our farmers, our employees, our associates and our investors for their trust and belief in Nath. We remain steadfast in our commitment to delivering consistent value, investing in innovation, enhancing operational efficiencies and expanding our market reach, all this while maintaining a strong and resilient financial position.

With that gentlemen, I would now like to invite Mr. Amol Gupta to share the financials and operational highlights for Q4 and financial year '25. Thank you.

**Amol Gupta:** Thank you, MD sir, and good afternoon, everyone. I especially thank you for making some time to join us today on the earnings call for FY '25. Our earnings presentation has been uploaded on the stock exchanges and company website, and I hope you have had the chance to go through it.

Before we dive into the detailed financials, I would like to quickly walk you through some of the key operational highlights from FY '25. We are making steady progress on our strategy to strengthen the non-cotton, non-paddy, that is NCP portfolio.

I'm happy to share that this year, the contribution of the NCP segment increased to 48% compared to 43% last year. Revenue from this segment grew up by 38%, reaching to INR171 crores, up from INR140 crores in FY '24. This clearly reflects the success of our diversification efforts.

Turning to our core cotton business. We sold nearly 11.35 lakh packets during FY '25. Our flagship hybrid, Sanket and Jumbo, led by the way once again driving growth and reinforcing our leadership position in this key crop.

In paddy, our strategy of focusing on hybridization is delivering the desired results. The share of hybrid paddy in our portfolio was 38% in value and 19% in volume. This aligns with our broader goal of driving margin accretive growth through higher value hybrid products.

Bajra continues to be a standout performer for us, supported by strong traction of Super 27. The segment recorded 8.77% growth over last year. Our maize business also showed good momentum, registering year-on-year value growth of 47%.

The vegetable segment, not to be left behind, it had value growth of (corrected from 16.45%) 60.45% and volume growth of 76.71%. The plant nutrition segment, P&S has delivered a very encouraging performance as well. Value growth comes to at around 23.53%, driven primarily by Win Chi Win, along with WIN GOLii and WINPro.

Now coming to the financial performance for FY '25. Our total revenue for the year stood at INR362.30 crores, reflecting a steady increase over FY '24. Gross margins remained strong at 52% plus with an exceptional jump in the current year, underscoring the resilience of our product mix and the pricing discipline we have maintained throughout the year. EBITDA for the year was INR52 crores, up by almost 4% year-on-year and PAT rose by 13.3% to INR41.6 crores.

On the working capital front, we made good progress, especially receivables management improved noticeably with debtor days reducing to 89 days from 103 days. The inventory days have increased due to the quantum jump planned in year '26. The company had achieved positive cash flow from its operations to the tune of INR26.8 crores, and we had a bank balance of INR87.6 crores as on 31st March.

I'm also pleased to share that our credit rating was upgraded by 2 notch to BBB+, which is a clear endorsement of our financial prudence and healthy outlook. All in all, FY '25 has been a year where we demonstrated operational division, expanded strategically, both in India and internationally and continue to invest in innovation and market depth. With our strong product portfolio, deeper presence across markets and ongoing commitment to R&D, we are confident about delivering sustained growth in the coming year.

With that, I now open the floor for any questions you may have.

**Moderator:** Thank you very much. We will now begin the question and answer session. Question is from the line of Harshul Mehta from Smart Sync Service. Please go ahead.

**Harshul Mehta:** Sir, congratulations on good set of numbers. My question is, you are having around INR87 crores to INR88 crores on your books as of now, cash balance on your books. And as I can see that there is almost no long-term debt on your books. So is management considering any kind of share buyback or enhanced dividend payout as part of FY '26 capital allocation strategy or maybe any kind of other growth-driven investment that you are looking at from this cash?

**Management:** Yes. Let me answer this. For the record, from Dr. Captain Devinder Khurana, Executive Vice President of the company. I was asked while CFO. Okay. Your point is well taken, sir. We do have a fixed deposit of around INR87 crores as on 31st March 2025. But that money is currently are operational monies, which we are having pursuant to the advanced booking, which came to us for the current year sales, and we had an ABS of almost INR141 something, okay?

So this money is currently operational money. This I cannot use for buybacks or any other investment opportunities. This must be flowed back into the operations to try and meet the next year's target, wherein Amol said that we are trying to have a quantum jump, okay, one.

Secondly, your question regarding buyback. I'm not able to answer it straightforward as of now, but we do have been thinking on it over the last one year. Maybe if the things permit, God willing, we'll come back to you.

**Harshul Mehta:** Sure sir, thanks a lot. This was helpful.

**Moderator:** Thank you. The next question is from the line of Satyam Vadera from Profitmart Securities. Please go ahead.

**Satyam Vadera:** Yes, sir. Congratulations on good set of numbers. I have a couple of questions. The first question is despite revenue growth, EBITDA grew modestly. What were the key investments are impacting the operational leverage? Sorry, you were a little inaudible.

**Management:** You said because of something. Can you please repeat the question?

**Satyam Vadera:** Despite of revenue growth, EBITDA grew moderately. What were the key investments area impacting operating leverage?

**Management:** Yes. So EBITDA has -- it's not that marginally. EBITDA has grown by about 4%, where the top line grew was around 9%, okay? Please understand one thing that to ensure that we have a steady top line growth, we need to pass certain things back to the market, okay? If you go through our schemes in the balance sheet and the schedules given, you will find that the schemes have increased by about INR4 crores, INR5 crores as compared to last year.

So that is to maintain the top line. It's not only that we want to make money, we also want our partners in business to make money. So that is affecting the EBITDA. I find that at this juncture, the growth is fine because we have streamlined the market also. So maybe next year, you may find that this will jump in proportionate fashion.

**Satyam Vadera:** Okay. And what was the key investment area?

**Management:** We are not investing anywhere. We are not investing anywhere. We are only in business. We are not putting in our mines. Of course, we have ventured out in a joint venture in Uzbekistan. Maybe somebody would have asked, okay, let me touch it here only. We had -- last time we informed that the company had taken up a joint venture in Uzbekistan. We have set up a JV company there with 90% of shareholding, 10% being mandatory given to the people in Uzbekistan, which is okay.

We have the full control on that. And this was the first full year of operation wherein we took on around 600 hectares of land for cotton production, basically the local cotton production there because our BTs have not yet been taken up by the government through their testing process. And we were able to make our contribution -- rather we are able to break even at the contribution level. So that's the only investment which we have made. Otherwise, we aren't investing anywhere. Business is priority.

**Satyam Vadera:** Okay. My other question is how is company leveraging R&D and innovations to build defensible moats in core and emerging crop segments?

**Management:** We -- every year, we spend around INR10 crores to INR12 crores increasing every year, if you 16:59 go through our schedules again. And it comes to around 4% to 5% of the top line. It is reducing the percentage because the top line is growing at a good pace. But research, we have -- once we come to a research question, maybe Dr. Kulkarni will tell you what all research he is doing. But I think we are one of the good companies into research for the last so many years, and we continue to plan to invest money in research. We aren't getting out of that.

**Satyam Vadera:** Okay. I have one more question. How has improved working capital efficiency contributed to a stronger cash flow?

**Management:** We -- if you have been attending, there was a time when my working capital was well stretched. Even I was having a problem in finding out the positive operational flows. But last 3-4 years, that has been taken care of. Now my debtors itself has come down to around 88 days, which is very reasonable. We used to have 120, 125, 130. Inventory, we always have on the higher side, including this year, the logic being very simple that this year, we had a production constraint on cotton. That is why our cotton fell as compared to last year.

So what we have done is we have taken up a good production of cotton this year, which should see us through for '26 and maybe partly '27 also because cotton seed is very steady and robust, it doesn't die. So inventory under control, well under control, no problem. It is. As of today, inventory is funded only 1/3 by the bank, rest is my own accruals. So I think we -- our working capital is okay, is quite fine.

**Satyam Vadera:** Okay. Thank you. I will get back in the queue.

**Moderator:** Thank you. The next question is from the line of Deepesh Sancheti from Maanya Finance. Please go ahead.

**Deepesh Sancheti:** Okay. How does the increased contribution of the non-cotton and non-paddy segment reflect your long-term diversification strategy?

**Management:** I think Mr. Gupta covered it in his address. I will recover it for your assumption. This was what I had personally told this forum way back about 3, 4 years back that we are not walking out of cotton. We are not walking out of paddy. They are our mainstays in our top line and in our market. Beyond that, we are going to lay more emphasis -- the word was more, more emphasis on NCP, that is mustard or maybe maize and bajra and wheat and vegetables and Win-Chi-Win, our PRS segment.

So the NCP segment has grown by about 22% as compared to last year. So that is helping. Now if you if you guys know, you are all analysts. This year, in spite of the drop in cotton sales, our top line has grown. Paddy was just about stable, around 7%, 8% of growth only. But other crops have compensated where cotton did not perform the way we wanted it to perform. So the advantage of our having a pan product, pan-India presence into the company helps us that if this doesn't sell, something else sells. That is where we have been able to maintain this strategy and NCP was only a part of that. Our NCP portfolios are doing well.

**Deepesh Sancheti:** So what are the key growth drivers behind this year-on-year increase in NCP segment? And how do you plan to sustain this year?

**Management:** How we plan to sustain this growth. There are 3 things that will happen. One is infusion of new products that Dr. Kulkarni is always there. Second is infusion of new markets that Mr. Harish Pandey is always there. And the third is our existing strategy of having a basket of products in every territory wherein we only send what sells. So if there are -- somehow if the rains don't behave, that good will come back. But otherwise, the other places it sells. So growth driver is research, growth driver is the extended market and growth driver is existence of good products.

**Deepesh Sancheti:** Coming to the balance sheet side, just to understand the high inventories is because the next quarter, that is Q1 will be the best -- is generally the best quarter is generally where you require the inventories. That is the reason you're keeping high inventories. Also, the trade receivables have been very -- I mean, significantly higher. It has been and it has been every year?

**Management:** I think the last gentleman asked this question, and I touched it categorically on receivables, on inventory, on working capital management. So would you please hold back on that, if you don't mind?

**Deepesh Sancheti:** I'll go through that. Okay. Then coming on to the ROE. I mean, our ROE over the last 3 years has been consistently at 6%. Do you think it's pretty low? And what is the management trying to do to increase the ROE?

**Management:** I tend to agree with you, sir. ROE is, of course, on the lower side. Please understand that post COVID, we had almost flattened out our growth path. And over the last 2, 3 years, it has picked up again. And I'm hoping that if we are able to cross INR500 crores in a year or 2, this ROE will significantly improve. We are also concerned about that. We are trying to address it through sales only.

**Deepesh Sancheti:** INR500 crores in terms of the sales, INR500 crores, right?

**Management:** Yes, plus.

**Deepesh Sancheti:** Okay. So you mentioned that INR87 crores is in FD and that money, you cannot touch it is operational money. Can you throw some more light on this? Why it is kept like this? And is there an advanced payment which you have received from people? I mean I just want to understand that.

**Management:** Yes, please. What happens is that every year is sometime in December, January, maybe February even part of March, Mr. Harish Pandey the advanced booking scheme into the market. The aim is twofold. One is to get the funds in advance. That means to that extent and more, the sales are committed.

Secondly, once we get the advanced booking, we also can get a judgment as to how our product is rated into the market because people will not give advance until they are very sure that they want this product. So these two things gives us advanced booking. Advanced booking this year was.

How much? Almost around -- 140 plus we had reached including the balances which was again a jump from last year. Now out of this at the March end, we have certain unused funds, which will be used for paying for the production people. That's it. So it is an operational money.

**Deepesh Sancheti:** But you're keeping -- I mean, it just kept into an FD and this is regularly being -- I mean, just moved into the banks only, right? How is it coming into the business? That is what I want to understand.

**Management:** No, this is the money which would have been lying unattended in the banks. The working capital limit would not have been used. And if I don't use my working capital limits in March, and then they will not give me working capital for next year, I don't want to over the company. So as a result, at the March end, we don't -- either we keep the working capital unused or we keep fixed deposits and working capital used. It's the financial debit that's it.

**Deepesh Sancheti:** It's the financial debit, got it. That really helps. In the regulated environment, how is the company maintaining leadership in cotton segment, with products like Sanket and Jumbo?

**Management:** Can you repeat the question? Mr. Harish Pandey would like to answer that.

**Deepesh Sancheti:** Yes. So in the regulated environment, Mr. Harish can you hear me -- so in a regulated environment, how is the company maintaining leadership in the cotton segment with products like Sanket and Jumbo?

**Harish Pandey:** Actually, if you see overall our product performance is outstanding for our product. Very unfortunately, last year because of some environmental issue, we could not get the stock what we were expecting to get. So whatever we have got, we have sold in a premium in the market. By doing the activities and convincing to the farmers, we are reaching farmers and convincing them to buy our product and showing them the -- what is the USP we have differently because our products are completely different from the market.

What our products are? Our products are broad tolerance, number one. Number two, our products are second tolerant, which others are not having. Number three, our products are adopted to most of the geographies where the cotton key markets are there, right? If you take Telangana, Maharashtra, Gujarat, Karnataka, cotton markets and followed by MP.

All these markets we are holding, except Northern part, we are on top five demanding product company, right? So this is how we are maintaining our leadership in the market, and it will continue. And this year, again, it will be strengthened because this year, we are expecting to supply more than, let's say, 60% to 70% what we have sold this year.

**Deepesh Sancheti:** Just want to understand what is your 5-year vision of the company?

**Moderator:** Deepesh, if you could come back in the queue for further questions, please.

**Management:** Sorry, you said 5-year vision.

**Deepesh Sancheti:** Yes. I just wanted to know the 5-year vision. Actually, you spend about saying that in 2 years, you'll do INR500 crores. So just wanted to understand your long-term vision of 5 years. And how do you plan to maintain -- I mean, what is your sales growth target? Just want to understand.

**Management:** Okay. Once again, like I said that the first target is INR500 crores. The next as a target will be obviously 1,000 fine. But for INR500 crores, I only gave you how we are going to go about it with the strategy and all that. For INR1,000, we tend to also expand internationally. That means research markets, products and international business. If Uzbekistan comes through properly the way we are expecting it, that would itself give me around INR100 crores down the line. So let's see.

**Moderator:** The next question is from the line of Devesh from Fin Interest Capital.

**Devesh:** Congratulations on a good set of numbers. Sir, my first question is what market dynamics and product strategies contributed to the exceptional growth in the vegetable seed segment?

**Management:** Very good question. Let me -- can I answer this? He's asking vegetable. Okay. I'll let Harish answer that.

**Harish Pandey:** Number one is market potential is there, right? We have strengthened our team across the India, two. And three is wherever our products are performing, we are focusing in a limited market. We are not focusing across the India, right? We are focusing wherever there is a potential available. So this is the reason we are -- we will definitely keep continuing the same strategy for next 2, 3 years.

**Devesh:** Okay, sir. Sir, my second...

**Management:** I would also like to add if you remember our call 2-3 years back, we had said that we want to give emphasis to vegetable because it is a beautifully contribution paying business. That kind of thing was not happening. So that is why there was a like in that. Now Mr. Harish Pandey has also taken over vegetables, and you can see the results. We are doing well.

**Divesh:** Okay. Got it, sir. Sir, my second question is, can you explain the strategic role of new biotonic products like WinGoli and WinPro in expanding the Plant Nutrition segment?

**Management:** Dr. Kulkarni, can you give a highlight on this, please?

**Venkatesh Kulkarni:** I think Harish only will give this. WinGoli…

**Harish Pandey:** So if you see both these products, we have launched around 2-3 years back both these products, right? And huge scope is there because of spring difficulties, labour issues, right? Farmers are using both these products easily and farmers are not having any issue related to the labour, right, number one. Number two is the kind of results we are getting in the vegetables of WinGoli is coming in a better way, two.

Number three in a market trend where in general, farmers are coming and buying the packaging is also making the huge difference. If you go to the market, farmer go to the market and buy 10 kg buckets, 20 kg buckets, 50 kg drum. So that is a new trend which farmers are following. So this is another reason where we are getting a good sales for both these products. And the quality is definitely quality is also there.

**Divesh:** Okay, sir. Got it. Sir, my last question is, what were the key contributors to maintaining gross margins beyond 60%? And how do you plan to manage input cost pressures going forward?

**Management:** If you -- I know this question was imminent, okay. In CFO's speech, he said that we have been able to maintain -- and let me read it again for you that the gross margin remains strong at 52% plus with an exceptional jump in the current year. Kindly please remember that. We can't be maintaining 60%. It just happened once in a while, which is fine.

We have been maintaining 52%, 53%, 54%, and that is generally with the top line, this kind of contribution is good in to the feed market. Please don't expect us to maintain 60 plus in the coming years. We are quite happy with 52%, 54%.

**Moderator:** The next question is from the line of Aditya Sen from RoboCapital.

**Aditya Sen:** Sir, since we are already one month into the first quarter, the basis of this, can you please share how this cotton business is shaping for this quarter?

**Harish Pandey:** Cotton Business?

**Management:** He said that already one month is over and how the cotton is going to come. So basically, the...

**Harish Pandey:** Okay. So the cotton is like saying, okay, not great, right? Because if you see last year, has already goes down, right? Coming quarter.

**Aditya Sen:** One month is already over. So what is the strategy for the coming quarter for cotton. Kharif '26 Kharif '25?

**Harish Pandey:** Kharif '25, we have planned well. And across the India, we are supplying the product everywhere wherever the demand is there, right? And because of some government restrictions, there are a few states where the supply has not been made till now, right? From May onwards, it will be continued, right? And if you're asking about our placement or all, can you give me more clarity on your this thing?

**Management:** You see what happens and let me add to your question. You are asking us how the cotton will sell in the coming quarters. Please understand that it's not only cotton, the paddy goes, maize goes, bajra goes, including Jowar goes. We are currently in the process of packing. The goods will be dispatched to the branches to the godowns or across the country.

They will be kept the moment the rains onset, they start going into the market. Last year, the sales return was very low. It was only around 15% because the material itself was at a premium and we didn't have that kind of goods. This year also, we'll try and maintain that. So as a result, the company is gearing up. It's gearing up. No worry on that.

**Aditya Sen:** All right. And can you share the paddy volumes for FY '25 add volumes for FY '25?

**Management:** Paddy volume for FY '25, we had a total quantum of 61,349 quintals, sorry, my bad – 60,653 quintals, which turned into 89 -- you get that, please?

**Aditya Sen:** Yes, yes, I got that. And so that's a minor decline in volumes Y-o-Y?

**Management:** A minor decline, but you see, okay, now let me also address that. You always ask good questions. Thank you very much. It helps me in giving the issue. We have made a strategy that we are moving more into hybrid paddy and lesser into the RS. It's a gradual change. This year, 19% of quantum in paddy has given me 38% of the volume -- value.

So even with the decrease in the -- minor decrease, the values have gone up by about INR10 crores. That's the hybrid magic.

**Aditya Sen:** Yes, I understand that. This change is highly welcomed. That's really good for us. And just the last question, any recoveries from the provisions that we made a few years back of that…

**Management:** Not something which is to be boasted off. Last year, we had around INR3.5 crores. This year, it came down to only INR154 lakhs, but we aren't giving up. We aren't writing it off. This year, again, I'm expecting more recoveries to come. But it is not affecting my sales. It is not affecting my bottom line. Yes, it will add as extraordinary income…

**Moderator:** The next question is from the line of Majid Ahamed from TradeWalk Research.

**Majid Ahamed:** So my first question is, how are you going to tackle the competitive intensity in the market with multiple players like Kaveri Seeds and other players there in the market? How are you going to differentiate in terms of R&D and something? That's my first question.

**Management:** Yes. Thank you. Let me request the guy who is going to tackle this to answer this. Mr. Harish Pandey, please.

**Harish Pandey:** You are asking for any crop specific or you want to have a whole?

**Majid Ahamed:** As a whole.

**Harish Pandey:** As a whole. Okay. So as a whole, if you see crop-by-crop, the kind of demand we have in a cotton seeds right, Kaveri don't have at present. This year, you will see the significant improvement by the end of this quarter, you will realize what kind of growth we are having over the Kaveri in the quarter. And demand-wise, I'm talking about. I'm not telling around -- about the quantity, right?

And if you see in other crops, right, our product performance is coming better than Kaveri, either it's a note down. There are 2, 3 products which have performed outstandingly well in the market in quarter, corn, which is 11, 33 and Dominator 401, which is performing outstandingly well. And farmers are getting around 40 to 45 quintal yield per acre, which was not there in the early...

And our competition are not having such type of potential hybrid with them, number three. When it comes to [Inaudible 38:58] we are far, far better than Kaveri in terms of volume, value and product performance. In all three criteria, we are doing very well. When it comes to paddy, definitely, they are doing better than us.

They are having the competitive products, but the kind of performance we have received out of our product sold, definitely within next three years' time, Nath would be either similar to Kaveri or better to Kaveri in hybrid segment. When it comes to selection paddy, definitely, there is a close fight in between Kaveri and Nath in some states.

But yes, being an old player, they are doing better than us. But in future, in next 2 to 3 years, if you see their product performance and our product performance is not matching. Our 3, 4 products are performing outstandingly well in most of the paddy area. So this is overall definitely next 3 to 4 years would be Nath year, not Kaveri.

**Satish Kagliwal:** I'd like to just add to answer your question. This is not a question of Kaveri alone. Your question was about how are we going to compete in the competitive environment. Issue is we are competing by product differentiation, superior products and coupled with this superior product and better products we are also having excellent marketing, promotion, our extension work, our efforts in the marketplace also define and differentiate ourselves.

So we are going to be getting an edge and mileage because of the product and the marketing efforts that we are making. And this is not only competition with one company, it is ahead. It is actually competition with all the companies. It's not a question of only one company. We are competing with practically the entire industry itself and this competition is always there. This is nothing new today. So that's how I answer your question as to how we are going to compete. We are competing with superior product and superior marketing effort.

**Management:** Just a second, I would also -- it's just a second, please. I would also like to add the financial angle to this. Last year our advanced bookings were INR92.59 crores. This year it is INR151.21 crores, INR150 crores of advanced booking gentlemen. It shows that the company is accepted into the market. It is a 63% jump over the last year. So apart from all the strategies that Mr. Harish Pandey and MD sir has given, the acceptance in the market is also reflected through the balance sheet. Next question, please.

**Majid Ahamed:** Yes. And second question is can you share some details about your venture in Uzbek and Philippines? How will they improve and contribute to your margins and revenue going forward?

**Management:** Uzbekistan, I just covered in one of the previous questions, kindly go through the script again. Philippines, we are currently not saying much because nothing much is coming out of Philippines as of now. The effort and the trial both are still on. If I have something substantial to speak on Philippines then maybe, yes, we will talk about it. In the meantime, I did say that if we need to touch INR1,000 crores, our exports also have to match our -- the domestic sales.

**Majid Ahamed:** Okay, sir. And another question I have is on what is your guidance going forward in terms of your volume growth or revenue growth? What are you looking currently at?

**Harish Pandey:** It's always better to talk of revenue growth only. We have -- last 2 years have been almost stable at around 8%, 9% I'm hoping to break that barrier this year and we are targeting for 15%, but let's see how it goes.

**Majid Ahamed:** 15%... Okay. But -- and you're also saying on the margin front, you are saying you are moving towards more premium products and looking for the non-paddy and segment that will drive growth. What type of margin profile on an overall on a yearly basis, how we are looking at?

**Management:** Like I said before, I'm repeating it for you. We expect a margin of around -- our average contribution margin is around 50%, 52%. It has been increasing last year it was 52%, 53%, 54%. This year, we had an exceptional jump because of hybrid paddy. If that continues, thank God, no issues in that. But we expect it to maintain between 52% to 54% for over at least next year, then we will see about the balance subsequently.

**Majid Ahamed:** Can I say about the EBITDA and PBT margins, not contribution?

**Management:** EBITDA and PBT margin give me a second, please. Let me see what is -- EBITDA is around 15.54%. There was a time when we used to touch 20%. Let us try and reach that target. Net profit again is around 11.24%. We were there around 13%, 14%. So let us say the aim should be to increase about 2 to 3 basis points on both these issues.

**Majid Ahamed:** 2 to 3 basis points or percentage point?

**Management:** Percentage point I don't understand your English.

**Majid Ahamed:** Okay. Thank you, sir.

**Moderator:** The next question is from the line of Priyanka Namboodri from Sequent Investments. Please go ahead.

**Priyanka Namboodri:** So I just wanted to know how much are we exporting? How much is export contributing to the revenue?

**Management:** Madam, it is chicken feed. It is only around INR4 crores, INR5 crores last year. And with the top line of INR363 crores, it doesn't work into any percentage. Until Uzbekistan happens 2 years down the line or Philippine crops up, our normal exports to other countries are going to be on a low key only. There is a basic reason behind that. We can only sell our crops to the areas which are agro-climatically same as India.

So that means you go to Pakistan, it is knocked off. You go to Oman, some new stuff at Sudan, which again got knocked off. So regular exports are always like INR5 crores to INR6 crores only. It may go up to INR10 crores. That's it, which will not be making a net debt to my top line. But yes, if Uzbekistan comes through 2 years down the line, we'll be able to give you the quantum jump.

**Priyanka Namboodri:** All right. Right, sir. I understand. Also, I had a second question. I wanted to understand what your mode of operations. What is the difference in our mode of operations in Philippines and Uzbekistan and what are some expected revenue or margins in the next 2, 3 years?

**Management:** I think that is the correct question for Dr. Kulkarni.

**Venkatesh Kulkarni:** In Uzbekistan, we are into a JV. We are there a full-fledged company with COO, production head, sales and marketing and scientist there. In Philippines, we have got approval for our BT cotton. Normally, in Philippines all the seeds have subsidized. So now we are trying to go through that route. We are trying to speak to Philippines and bring our hybrids into a government procurement mode. This is actually a people management project and we are doing it actually very nicely. In Uzbekistan, Nath Bio-Genes as a brand, it is present as a company, as a satellite company of Nath Bio-Genes (India) Limited.

**Priyanka Namboodri:** All right. So are you expecting greater margins from Philippines or Uzbekistan?

**Venkatesh Kulkarni:** First is low-hanging fruit is Uzbekistan. And probably next year, you might find a good result from that place.

**Priyanka Namboodri:** All right. Okay. That's all.

**Moderator:** The next question is from the line of Anurag Jain, an Individual Investor. Please go ahead.

**Anurag Jain:** My question is at the industry level for your main segments like cotton, bajra and maize and wheat as well. What is the outlook for the industry this year in terms of volume growth and in terms of price realization?

**Harish Pandey:** Okay. So crop by crop we will talk. Bajra, definitely the kind of interest government of India has shown definitely it will go up. When it comes to cotton, cotton acreages never goes down by 7%, never increase more than 5%. So the possibility is almost in between 5% to 10% all that things. When it comes to corn, yes, definitely because of government focus on so many other things, corn acreage going up.

Last 3 to 4 years, corn acreage has gone up by around 25% to 26% overall. And when it comes to paddy, definitely paddy because of good rains in last 3, 4 years everywhere paddy acreages has gone up. So there is a good future for all four, five crops which we are dealing.

**Anurag Jain:** That is in terms of volume growth and how do you see the price realizations for the -- at the industry level for these seeds? Do you see that price realization will be stable versus last year or there is scope for growth in price realization this year?

**Harish Pandey:** See, when it comes to cotton, cotton is completely under government control means no company can decide the MRP and other thing, which is under completely control 901. And about other crop definitely, when the products are performing outstandingly right, the profit of margin goes up for all the companies. So the product which we are dealing either it is Super 27 or Dhadak Gold or 1123 Dominator gold or five, six products we are selling at premium price and definitely the premium will remain same in future also.

**Management:** I'd just like to add for the industry the outlook for cotton is naturally because there is an increase in cotton MRP by the government by INR37 per packet this year. So normally, that much increase should be possible. At least part of that should be possible to be retained by the company.

Number two is other crops. Other crops, there will definitely be a little bit of increase in the prices realization because the commodity prices themselves are going up. If you look at maize, if you look at bajra, if you look at paddy also going up. So that also has a reflection on the seed prices. So I expect a little bit of increase in the prices by the companies.

**Moderator:** The next question is a follow-up question. It's from the line of Aditya Sen from RoboCapital.

**Aditya Sen:** Yes, I got my answer. Thank you.

**Moderator:** The next question is from the line of Rajiv Damani from SKD Consulting. Please go ahead.

**Rajiv Damani:** Sir, congratulations on very excellent set of numbers and really appreciate and pay respect to the founders and the current management of the company, which is really contributing to the agricultural growth of the country by providing very good quality seeds. So I would start with that. And now I will come to certain financial questions. Can I?

**Devinder Khurana:** Of course, you can, brother.

**Rajiv Damani:** Sir, our other -- what is the nature of other income in our P&L? Can I know?

**Devinder Khurana:** Asking a very good question. I actually -- you would know because the full balance sheet is not yet out. It just got approved yesterday. Give me a second and I will answer your question. Don't worry on that. And other income was around INR472 crores, right? Out of that, you see, if we give money on interest, we get the interest back. So basically, it is around INR360 crores is interest only. INR82 lakhs go to foreign exchange gain, INR358 crores is for interest received on lending and balance is balance.

**Rajiv Damani:** Now coming to, sir, one Food Park was proposed by the group, whether this is part of Nath Bio-Genes or Agri-Tech is another company. So what is the development on the food park that was proposed by…

**Devinder Khurana:** Food Park on Mega Food Park Private Limited. Venture by Nath Group, duly supported by us and Agri-Tech. And this is a project over almost 100 acres of land, one of the only projects approved by the Ministry of Food Processing for Marathwada. So it is a star project in Marathwada, point number one.

Secondly, the loan was made by contribution from the group -- sorry, the project was made by contribution from the group, bank term loan of around INR43 crores and subsidy by the government. I'm happy to announce that this INR43 crores is almost nil as of date. So the food park has become self-sufficient.

It is definitely not part of Bio-Genes. It is also not part of Agri-Tech as of now. It is an independent entity, but the equity is being held by Bio-Genes, by Agri-Tech and another of my group companies on agriculture part.

**Rajiv Damani:** Right, sir. So now will we be selling the plots there or we are...

**Devinder Khurana:** It has already commenced. Unluckily, the food park was inaugurated just ahead of the COVID period. So for 3 years, everything went for a toss. But now almost about 40% of plots have been either earmarked for sale or sold and the balance will be out by over the next 2 years.

**Rajiv Damani:** So our company also will be utilizing some part of this food park that is Nath Bio-Genes will be utilizing some of the plots?

**Devinder Khurana:** Definitely, yes. If you people have some time to come out to Aurangabad. Our entire processing plant is in the same facility -- we have taken up another 2 plots because we need to expand in the way things are growing. I need a separate processing plant for vegetables and for PNS. So we are definitely also having our foot in the food park, but then that has been actually paid for directly, not as part of equity.

**Rajiv Damani:** Okay. Got it, sir. We purchased it. I mean the company owns it -- under plant machinery and equipment. That is INR243 crores has been there in the balance sheet. So out of INR243 crores, a lot of land must be there....

**Devinder Khurana:** Sir, land does not form part of plant and machinery. It is in the part of land. And otherwise, yes, our plant and machinery is there, and we are doing our entire processing for last almost about 4, 5 years now in that area.

**Rajiv Damani:** One more small question. Out of the INR330 crores inventory that we are showing as closing inventory as on 31st March, these are largely seeds only or some sort of other items are also there as inventory?

**Devinder Khurana:** All seed items are INR11.89 crores only. Rest is seeds. And most of it is cotton seeds.

**Rajiv Damani:** Cotton seeds only?

**Devinder Khurana:** Yes**.**

**Rajiv Damani:** Sir, really looking forward to a wonderful year because you have already said that 60% to 70% more this year you are going to sell. So I really look forward to some extraordinary performance in the current year?

**Devinder Khurana:** So are we.

**Moderator:** Yes, there's one more question. It's from the line of Sanjeev Damani from SKD Consulting.

**Sanjeev Damani:** So sir, as you said that you are also looking forward to something interesting coming up. I had a very small question because I track certain ethanol companies also. So the rice-- there can we make certain changes in our rice feed to yield more for ethanol from the rice rather than making it a sweet or flavoured rice. I mean, are we planning any such thing where yield can be higher and that such rice or such maize can be used for ethanol? Are we really looking at...

**Devinder Khurana:** Okay. Research question, Dr. Sir, please?

**Venkatesh Kulkarni:** We are actually -- see, excess stock or excess bad stock, which is available at the stock normally goes to ethanol. We are breeding for high-yielding rice, which is for consumption and public distribution. In addition to that, there is a starch component which has to be majored for ethanol purposes.

However, either in maize or in rice, this kind of activity we are not doing. Not simply as, a lot of people are not doing just because any starch or any rice or any maize will be available for ethanol purpose, ethanol extraction.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today's conference call. I would like to hand the conference over to the management for closing comments.

**Devinder Khurana:** Okay. Dr. Khurana, again, thank you very much, all of you for being there. I'm actually extremely grateful. Over the last few years, the questions asked are very forward-looking, and we get enamoured and we also get motivated to continue to perform better. We just laid ourselves a few targets, trying to reach 500 over the next 2 years and then trying to get 1,000 Growth drivers also we discussed.

Let me tell you, sir, our company is held with Pan-India Pan product presence. And in that, we will try and achieve all our targets. And I'm sure that your support will continue to guide us further. Thanks for being here, and thank you very much.

**Moderator:** Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.