19th August 2026

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| Rotimda Building | Plot No.C/1, G Block, |
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Dear Sir/ Madam,

**Sub: Transcript – Kaveri Seed Q1 & FY 2026-27 Results Conference Call on Friday, 14th August, 2026 – Reg.,**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached herewith Transcript of Kaveri Seed Company Limited Q1 & FY 2026-27 Results Conference Call made on Friday, 14th August, 2026.

The transcript and audio is uploaded on the Company's website as well on below link:

https://www.kaveriseeds.in/wp-content/uploads/2026/08/EarningCallTranscript.pdf

This is for your information and records.

Thanking you,

Yours faithfully,
**For KAVERI SEED COMPANY LIMITED**

Sreelatha Vishnubhotla
Digitally signed by Sreelatha Vishnubhotla
Date: 2026.08.19 17:43:34 +05'30'

**SREELATHA VISHNUBHOTLA**
**COMPANY SECRETARY**

Encl: a/a.

KAVERI SEED COMPANY LTD. SECUNDERABAD

# "Kaveri Seed Company Limited
# Q1 FY27 Earnings Conference Call"
# August 14, 2026

**MANAGEMENT:** **MR. MITHUN CHAND – EXECUTIVE DIRECTOR – KAVERI SEED COMPANY LIMITED**
**MR. RAMA NAIDU – INTELLECT PR**

**Moderator:** Ladies and gentlemen, good day, and welcome to Kaveri Seed Company's Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Please note that this conference call will be recorded.

Joining us today on the call, Mr. Mithun Chand, Executive Director. Before we begin, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties.

For a list of such considerations, please refer to the earnings presentation. I would now like to hand over the call to Mr. Mithun Chand. Thank you, and over to you, sir. Thank you.

**Mithun Chand:** Good afternoon, and welcome, everyone, to our Q1 FY27 earnings conference call. We hope you have had a chance to review the presentation of our results, which is also available on our website. I would touch upon the operational financial operations of the company and then open the floor for Q&A session.

Revenue from operation was at RS. 815 crores as compared to RS. 945 crores. EBITDA was at RS. 285 crores as compared to RS. 332 crores. Operating margin stood at about 35%, the same level as last year, slightly above. Net profit was at RS. 271.3 crores as compared to RS. 316 crores. The cash on books stands at RS. 267 crores.

Coming to segment-wise revenue breakup, non-cotton revenue was RS. 601.57 crores, and cotton revenue was at RS. 213.43 crores. Cotton stayed at the level of last year. Major highlights. El Nino brought a weak monsoon and Q1 had one of the shortest sowing windows of recent seasons with less rain through the quarter. Farmers bought fewer premium and high-value products.

Our new cotton products did very well. They now make up 37% of our cotton sales against 22% last year. This is a big jump in single year, and it shows the farmers are choosing our newer hybrids despite challenges from illegal cotton and reduced sowing acreages.

Our new single-cross maize hybrids are doing well. They now make up more than 20% of our maize sales. A bigger share of maize now comes from our newer and better products, which gives a stronger base to grow from once maize sowing returns to normal. Maize was slow this quarter because of the deficiency in the rain. Karnataka is our main maize market and only about 1/5 of the land has been sown by mid-June. Rain returned in July, and we expect maize demand to pick up in Q2 FY27.

We launched 2 new hybrids paddy products, KRH7344 and KRH7227 in their very first season. They brought in 62% of our new product sales. This is a strong start for our new rice products. Our export business grew close to 4x from RS. 1.1 crores to RS. 5.79 crores. Demand from overseas markets is clearly building, and this is an area we will keep pushing on.

Operational highlights. Operating margins held steady at about 35% through the quarter. In cotton, the company has built a strong base in the northern markets of Haryana, Punjab and Rajasthan. Hybrid rice stay our largest non-cotton segment at RS. 247.07 crores in a quarter which rice sowing area in the country was lower. Selection rice revenue grew marginally to RS. 159.07 crores, holding up despite poor rain in the rice sowing areas. New Bajra hybrids now make up 65% of the Bajra volumes, up from 61% with volumes sustained through the season.

Vegetable seed revenue was at RS. 15.08 crores with few new varieties going into the coming season. If rainfall improves during Q2 financial, we expect some spillover demand. The growth story stays intact. We are working on new variants across all seed segments, and we will keep raising the share in maize, vegetables, rice and cotton.

I would now open the floor for question-and-answer session.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Your first question comes from the line of Rushabh Shah with BugleRock PMS.

**Rushabh Shah:** Sir, if I see your numbers in the last 10, 11 years.

**Mithun Chand:** Sorry, can you be a bit louder?

**Rushabh Shah:** So if I see your financials in the last 10, 11 years, we have reached a profit of around RS. 300 crores in 2015. And after that, we were building a non-cotton business, our vegetable business and which we have grown to a significant size. But still, we are not able to cross that peak profit in the last years. Is it because like we couldn't get any hit hybrids like Money Maker or ATM? I mean, what kind of challenges we are facing?

And like what do you think we can achieve in the next, let's say, 3 to 5 years?

**Mithun Chand:** Rightly observed. If you see from 2014, '15, the profit remained in and around the RS. 300 crores in most of the years, but if you see the product mix, wherein the cotton was contributing around 90% in 2014, '15 and the margins are pretty high there. Coming back to this present season, if you see the mix has changed, wherein cotton only contributed close to 20% and 80% in non-cotton segment. And even cotton margins shrink to much lower than what we used to have, even though we were able to maintain those margins at a 35% EBITDA for the first quarter.

And leaving apart this year, if you see in the last years, we were growing in non-cotton segment and we were declining cotton. But by seeing the current season, which is a very challenging season for us, where across the first time where we are seeing this type of season where across India, we have seen monsoon deficit till June 15, which has disrupted the cropping patterns and the farmer choices. So that's making an impact. This is one of the years where we should not take into consideration.

But coming back to if you see the portfolio levels to the other levels, even in these tough conditions, we were able to do well. And with the products what we have and with the research what we have spent in the last years and the hybrids which were developed, the research are doing very well, and they are very encouraging. It's just one-off an year, and it should not be a benchmark for the performance.

**Rushabh Shah:** Okay. My second question is, we have entered into the export market for quite some time. We have grown in that area also. So what I mean is that are we facing any challenges in those regions? Because in one of the calls, I remember you have said that gaining farmers' trust even in India, we are an Indian company, which took so long.

So are we facing such kind of challenges in the export market? And second part of the question is in exports, maize and rice are 2 big crops. And we have talked about Philippines, Vietnam or Thailand to grow our export business. We had sent some samples for trial. We got good results, and it could be like around like RS. 100 crores revenue in the few years. So what's happening on that front, if you could just let us know?

**Mithun Chand:** We are growing in vegetables. We are growing in export market. The conditions here and there remains almost same. I mean to say that in terms of farmers' choices, they will see the performance and then only they will adopt it. In a few countries, we need to give trialing as well.

So that trialing we have completed in Philippines, Vietnam and Indonesia there. So now we are sending material there. So we are getting good sale there and still we stick to that growth in export market, reaching RS. 100 crores in vegetables shouldn't be a difficult in the coming time.

**Rushabh Shah:** Okay. Okay. And sir, we have done a commendable job in the past years to build a non-cotton portion of the business. My question on the cotton business. As we know that this business does not have significantly lower margins than the non-cotton business.

And have we lost focus or let's say, are we focusing less on this or we are giving less importance to this business?

And because there are many factors like illegal seeds, capping of prices from the government. And we haven't come out with such new hybrids in the last many years in the cotton business. Just to add on the part, in the last 2 years, we have seen huge inventory, like around RS. 1,200 crores of inventory we have. So on that front, could you please let us know something?

**Mithun Chand:** Coming back to the cotton question first. Yes, cotton, we have lost market share in the last 7, 8 years. I'll just correct you, we have developed many hybrids in the past 3, 4 years. And if you see the growth in Northern India, we have grown even though you see the overall sale as a flattish one, we have still grown in Northern India in terms of, we have almost like doubled in Northern India in terms of cotton with a small base. But those are all new hybrids, and we are doing very well.

When you come come down to Gujarat and Maharashtra, the rainfalls were very low, scattered rainfall initially and then the illegal Bt. This all has impacted to some extent.

As I said that this is one of the years where should not take as a benchmark. We are very confident with the new cotton hybrids. And even in the sale, you will see the contribution of the cotton hybrid, new cotton hybrids. We are fairly confident that we'll go back to our market share. what we used to have earlier, and we are very confident about cotton, even though the margins are lower, but the market size is very big where we can't ignore cotton as such.

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| | Cotton is a very big market, and we are very strong in those markets. So we are working and we'll be working in cotton segment also. |
| | Coming back to inventory, yes, compared to last year, we have roughly RS. 200 crores of more inventory when compared to last year. That is because we anticipated a good season and good growth this year because of the El Nino effect and the delayed rains, scattered rains here and then that has impacted the sale. But anyway, that's a part and parcel of the business. We will manage the inventory, and the inventory is pretty much sold properly. And we will be reducing our productions next year. |
| | So we'll not take up the production what we have taken up this year. That's a continuous process. So we are monitoring it. No worry as of now to maintain the inventory. It's for the holding time what we have. |
| **Rushabh Shah:** | And sir, just a follow-up on the market share part, lost of market share in cotton. We had lost market share in Andhra Pradesh and Telangana. So Rasi is a market leader all over India. So just wanted to know like, what is helping them to gain more market share? Is it better farmer connectivity? Or are they a better brand? Or just wanted to know. |
| **Mithun Chand:** | So basically, if you see in the last 4, 5 years, I don't think they have increased the market share. At the most, they have maintained or declined in terms of the market share. And the cotton market also slightly declined in the last 3, 4 years. illegal cotton has also gone up, smaller players also coming up. So in terms based on the hybrid performance, the hybrids are doing well and they are acceptance, they have grown. |
| | But these are all old hybrids. We have not seen any new hybrids have taken market share in the last 3, 4 years. |
| **Moderator:** | Your next question comes from the line of Disha Garg with [Samco Mutual Funds 0:13:38]. |
| **Disha Garg:** | Sir, as the season was not that good, so have we also got hit on our margin for a particular crop, which is compensated by other crops. So is there any... |
| **Mithun Chand:** | Sorry? |
| **Disha Garg:** | Is there any crop where we got a low margin versus last year? |
| **Mithun Chand:** | No, if you see the margins, in fact, expanded, even though the sales declined, the EBITDA margins have slightly expanded. If you see the other expenses like the salaries and other expenses were up compared to last year in terms of the percentages. But in terms of the gross margins, it is up by 2% to 3%. So in anticipation of a good season, we deployed many people across, and we couldn't sell as well, that has slightly impacted our margin. But in fact, we would have done more margin than last year for the season was good. |
| **Moderator:** | The next question comes from the line of Himanshu Upadhyay with Steadfort. |
| **Himanshu Upadhyay:** | I had a question on subsidiaries, okay? In one of the recent calls, we stated that our subsidiary also sells seeds. And if we have multiple hybrids, launching all hybrids through Kaveri is not |

viable. So out of, let's say, 4, 5 hybrids are there, 1 or 2 can go to subsidiary. But I could not understand why all cannot be sold through Kaveri and why not choose best 2, 3 hybrids and put our entire efforts on focus behind them rather than diversifying our energy across multiple products and multiple places through subsidiaries or all that. So some clarity on that will be helpful.

**Mithun Chand:** That all depends on the company strategy, how they do it. For us, I should take Kaveri as such. Kaveri focus only on those hybrids. Even though subsidiaries are there, we are competitors in the market. They operate as a different company.

The team is different. All the efforts are different. So only the research is Kaveri, but all are independent companies and independent subsidiaries. So those are all competitors in the market. We are putting our full effort across all hybrids.

And whatever sale is booked in the subsidiaries are also are all independent sales.

**Himanshu Upadhyay:** I could not understand the benefit of that strategy because many companies, let's say, in FMCG or any other agrochemicals also when we see companies have multiple products for the same issues and multiple brands also which get sold through the same company. Why does this strategy is more helpful of selling through subsidiary and competing with our own subsidiaries? So some thoughts on that will be helpful. That is what I'm trying to understand.

**Mithun Chand:** Yes, the business of FMCGs and seed is altogether a different business because seed, the farmers only pick up by seeing the performance of the hybrid. And India has got many climatic conditions, each hybrid performs differently in each segment. There are very few hybrids which are successful across all zones. So when we have me-too hybrids, so we need to discard one hybrid and market only one hybrid. So the discarded hybrid will go to the subsidiaries, which operates independently and we get market share.

For example, if you take this year also, the hybrids, what we sold in subsidiaries for example, if you take cotton hybrid, we have sold around 10 lakh to 12 lakh packets in subsidiaries. So that's another added advantage for the Kaveri Seed Company, wherein the cost and everything gets the research cost and the production cost will be beneficial for the Kaveri Seed as we may not be able to market all those hybrids. It's all me-too hybrids basically.

And some hybrids perform differently in different segments. So they take advantage of that. If you want to do in one company, we need to discard those type of niche market hybrids, which we don't want to do. Again, that's what I was saying. Again, that depends on the strategy of the company.

And one more thing, I'll just add on to that. Even in the Indian farmer usually tries different products. He will not go for one go. For example, if you have 10 acres of land, even though he's very much, I would say, used to one hybrid, even in that way, he tries other 3 or 4 hybrids of different companies or out of the same company.

**Himanshu Upadhyay:** And when we see the new cotton products or any, let's say, bajra new hybrids. So the new product would mean launched within 3 years, 5 years or what is the duration or how...?

**Mithun Chand:** Basically 3 years which is launched in last 3 years.

**Himanshu Upadhyay:** Okay. So whatever launched in 3 years is, we say new products.

**Mithun Chand:** Yes.

**Himanshu Upadhyay:** Okay. And in cotton, when we have seen the new products growing at a very quick pace, are we getting some pricing premium also in those products? Or the price remains subdued only for those products also? And if they replace the older ones, okay, and I think they would be replacing. That's why their share is continuously increasing even when our revenues in cotton and some have not increased.

But how is the pricing and the profitability for these products or the newer products? Some thoughts on that will be helpful...

**Mithun Chand:** In cotton, the MRP is capped. But in terms of the realizations, we are almost like in the top 3 segments of the cotton seed where we realize higher than many other companies.

**Himanshu Upadhyay:** Okay. And one more thing. With the later rains coming, do we see any hybrids which are less in demand or any change in the cropping pattern, which might benefit for a shorter duration crops, let's say, vegetables, which generally have a 3-month type of time frame? So any product or any place where we can benefit...

**Mithun Chand:** Not Much. For us, vegetables is a very smaller segment, even though that might come this quarter, but it's a very small segment, which may not add up much for us. But for us, Karnataka is a major state where still we are waiting for the rainfall and now the tanks are getting full now. So in that segment, in Karnataka, what we believe is that we have not lost sale, it can come again in terms of maize. So that's a positive point what we see is that we can get back Karnataka sales.

Other parts, we may not get back, but in Karnataka, we can get back. And the other thing is that now with the excess rains and the heavy rains in the last couple of weeks, most of the tanks are full in most of the parts, leaving the southern part like Karnataka or Andhra or some parts of Telangana. But Northern India mid part, the tanks are full. So in that way, that Rabi might be a bit encouraging this year. And if you see the maize price, in the start of the season, it was only RS. 16, RS. 17.

Now the maize price is also around RS. 27, RS. 28. So even most of the Rabi comes from maize crop. So maize should pick up in the second half.

**Himanshu Upadhyay:** Okay. Okay. And the exports last year, how much was to Bangladesh? And what is the outlook overall for the exports and especially to Bangladesh where we were making special efforts...?

**Mithun Chand:** I don't have the exact split per state as of now. But definitely from last year, we'll grow at least 25% compared to last year as overall exports.

**Moderator:** Your next question comes from the line of Dhruv Saraf with Bowhead India Fund.

**Dhruv Saraf:** In Q1 numbers, if I compare the seed revenues of other large companies such as Bayer, such as Advanta, their maize seed revenues almost grew by 20% plus, while we had a 40% decline. Sir, can you help me pin down why this big difference in performance?

**Mithun Chand:** Basically, they are very strong in the other parts of India. We are strong in the southern parts of and especially Karnataka, Andhra and Telangana. So these parts, we have received lesser rainfall. That's one of the impact what we have seen. And if you see last year, 25% to 30% of sales came from Karnataka last year in terms of overall Kharif sale.

**Dhruv Saraf:** Okay. Right, sir. So but even we are strong in areas like Madhya Pradesh as well where the acreage has grown. So were we not able to perform well in those markets? because the numbers are quite divergent: us, it is minus 40%; them, it is plus 20%. So I'm just trying to understand, apart from Karnataka...

**Mithun Chand:** There are mixed views in some buckets. For example, we have grown in Rajasthan. We've grown in other parts of Northern India, but not in the states of Madhya Pradesh, Maharashtra and Bihar. Especially in Maharashtra and Madhya Pradesh, we are not able to do well. If you see the overall acreages, Madhya Pradesh is the one where we have seen a huge increase in acreages.

**Dhruv Saraf:** Yes.

**Mithun Chand:** That we were not able to capture. That's the only area where we've withdrawn. But whereas if you take Maharashtra and other parts, it remains the same or it came down. The major increase was in Rajasthan and Madhya Pradesh. In Rajasthan, we were able to capture, but in Madhya Pradesh, we are not able to do that.

**Dhruv Saraf:** So sir, is it a problem that we don't have a product, let's say, for those geographies or...?

**Mithun Chand:** Yes, yes. That's the main reason.

**Dhruv Saraf:** Okay. Okay. Understood, sir. Sir, secondly, you spoke about the fact that rainfall has picked up in Karnataka and maize acreage, which was like down 15% at the start of July year-on-year. If you look at the cropping now, maize acreage is down only 4% year-on-year as of the latest government data. So do you expect to cover a large part of your sales in Q2 Kharif?

**Mithun Chand:** Basically, if you see Karnataka now, even now in some parts of Karnataka, where the maize goes in, still the rains are not there. But the dams at Tungabhadra are getting full now. So in the last couple of days of the season, the maize seed is going up. But in Karnataka, usually, they have a habit of sowing maize across the years, during the entire year. So whatever we have done last year in Karnataka, still we are confident that we'll do, but it will be in Q2 or 3, we just need to see.

**Dhruv Saraf:** Sure. So sir, now in terms of you ended Q1 with a 14% sales, right...

**Mithun Chand:** I'll just correct, the sale in Karnataka, we might be able to recover. But the sale in other parts for the Kharif that is already lost. But whatever we have done in Kharif in maize that we might recover in Karnataka...

**Dhruv Saraf:** Great. So sir, if I then were to look at the full year for this Q1 for FY27, you ended Q1 with a 14% sales decline. Do you expect to, let's say, close this year at last year sales level? Or will you have that minus 10%, minus 12% decline still by the end of the year? What's your view on that, sir?

**Mithun Chand:** Definitely, the margin will be lower than what we have shown in the first quarter because we are expecting some spillover here and there in second quarter, rabi should be good because of the maize prices. It should narrow down, but to what extent that we need to see. It should not move up, but definitely, the gap will narrow down.

**Dhruv Saraf:** Understood, sir. Understood. Sir, just one last question on cotton, sir. So you spoke about it in our previous interactions, we spoke about that this year, there was an expectation that the illegal seed could come down, but the legal seed has again gone up this year. So do you see further threat?

Or let's say, do you see this becoming an even bigger problem going ahead? And what are the reasons why the illegal seed went up while the expectation was that it would come down?

**Mithun Chand:** Basically, it was because of monsoon. As the season gets prolonged, as the monsoon gets delayed, the farmer compromises on the seed. If you see Northern India, which was earlier than the monsoon, we were able to do well. But whereas in states like Gujarat, Maharashtra, these have impacted a lot, especially for us, Gujarat has impacted a lot this year.

**Moderator:** The next question comes from the line of Karan Talwar with DAM Capital.

**Karan Talwar:** Sir, just 2 from my end. So firstly, you've highlighted that there's a chance that we may recover sales in Karnataka. If you could just quantify how much we've done last year versus how much we've done till now so that we can just have a sense on what is the scope of recovery, please? That's number one.

**Mithun Chand:** Last time in the Kharif, we had done close to 2,600 tonnes in Karnataka. This year, we have only done 1,500 tonnes in Karnataka. So we are down by around 1,100 to 1,200 tonnes only in Karnataka.

**Karan Talwar:** And you're confident that...

**Mithun Chand:** Which is around RS. 40 crores to RS. 50 crores of sales.

**Karan Talwar:** I'm sorry?

**Mithun Chand:** Which is close to RS. 40 crores to RS. 60 crores of sales.

**Karan Talwar:** And we remain fairly confident that we may that there's a chance that we may still be able to recover...

**Mithun Chand:** Yes. As of now, we are pretty confident because we don't see any alternate coming there.

**Karan Talwar:** Understood, sir. Sir, secondly, while you've given some color on margin, if you would like to throw some light on how we should look at the overall revenue growth for the year?

**Mithun Chand:** As I said, I just answered in the earlier question, for the rest of 3 quarters, it should not come down because as we see the Karnataka sale coming in the next 3 quarters and Rabi should be well because of the maize prices because majority of the contributor is maize in the second half, in the next 3 quarters. So definitely, the sale will be higher than the last year 3 quarters and the sale revenue and the revenues will narrow down from this level. But to what extent, it will cover up that we'll see.

**Karan Talwar:** Right, sir. So just one last from my end. Sir, any new hybrids or any performances or any field trials that you've been doing across crops that you'd like to highlight?

**Mithun Chand:** We are doing across all crops. If you see our results also, majority of the contribution even in maize, rice or bajra or even in cotton, it's all the contribution of the new crops. So we are very bullish in the start of the year. We thought all the hybrids will do well. But unfortunately, the season has not come up as anticipated.

But okay, that's fine. We are in a business where we are prone to these type of monsoons, but that's fine. This is one-off year, a tough year. But overall, we see a very good growth, and we are pretty confident of our hybrids, and we see a good growth in the coming years. We are not worried about it in the longer term.

**Karan Talwar:** Right, sir. So any color on how our product pipeline is also shaping up?

**Mithun Chand:** It's excellent when you compare the product pipeline. If you see in the last 8, 10 years, the product pipeline line, what we have right now is one of the best in the last 10 years. But unfortunately, that is not turning up in the sales because of various reasons, it might be the season or something else. But definitely, that will definitely come up. And in the next 2 or 3 years, that will definitely reflect in the revenues as well.

**Moderator:** Our next question comes from the line of Viraj Kacharia with SiMPL.

**Viraj Kacharia:** Just a couple of questions. See, as you said that if you look at our financials over a very long period, the mix has changed from cotton to non-cotton. Now if you look at this particular quarter, despite cotton share increasing where margins are lower, our gross margin has increased. So is it largely because of share of new products in each of the category improving further? Or was there an element of price increases?

I mean if you look at 2, 3 years back, we have seen a very material increase in cost of production for seeds. So is it normalization of that? Or is it share of new products increasing? Any color you can give?

**Mithun Chand:** Rightly observed. In fact, if you recollect, last call also, we said that the cost of production is lower than compared to previous year. So that has added up. In fact, the realizations are that most of the crops are down than compared to last year.

**Viraj Kacharia:** Okay. But if you still compare to the...

**Mithun Chand:** But we had an advantage in terms of the cost of production. That has contributed for us the increase in the profitability. And if you see the cost of production is down by 2% to 3% compared to last year, even though we realized lower at the dealer side.

**Viraj Kacharia:** What do you mean by we have an advantage in cost of production?

**Mithun Chand:** So what I mean to say is that if you have realized RS. 100 last year per product, this year, the realizations are down by 2% to 3% compared to last year. And the cost of production, even at this lower realized rate, the cost of production is lower than last year. I mean to say the cost of production is 4% to 5% lower than last year and the realizations are 2% to 3%. Even in that stage, we are able to maintain that 3% growth in terms of the cost of production.

**Viraj Kacharia:** Right. And do you see further...

**Mithun Chand:** I don't know if I was able to communicate it properly to you or not, but the realizations were lower by 2% to 3% than last year in terms of the actual realization from the channel.

**Viraj Kacharia:** Okay. But do you see scope for further normalization in cost of production? So compared to, say, RS. 25, do you see scope for further normalization in the cost of production, not just for us, but everyone in the industry?

**Mithun Chand:** Yes, it's normalized last year. But if you literally talk of the next year, we may not take up the production what we have taken up last year because we have huge inventory. So the production will be very minimal for the next year. So the cost of production, what we have incurred last year should be more or less same for the next year sale.

**Viraj Kacharia:** Okay. Second question is, see, if you look at the 2020, we had tried shifting portfolio towards cotton. So we had some good success in maize and rice. But there was quite volatility in sustaining the sales because the regional contribution was quite high among a few southern states, say, for maize and same for rice for us. Now if you look at the current year, even I understand the season is bad.

But in a down year, most of the volumes have gone back to the leader or the top 2 players, right? So if I have to look at next 3, 5 years kind of a horizon, how should we understand, one, the regional concentration and the seasonal concentration for the non-cotton portfolio, say, maize, rice, how do you see that evolving?

**Mithun Chand:** If you see, we are not regionally concentrated. If you see cotton, cotton is in different states; maize is in different states; sunflower is in different states; rice is in different states. So we are across India. But the only issue is that India is a vast country. We need to have a suitable hybrid for those segments.

In Kharif, we are very strong in Karnataka, Andhra and Telangana. In Rabi, we are strong in Bihar, UP and some parts of Maharashtra. Madhya Pradesh, we are slightly weak. That hybrids, we need to launch it. And we have hybrids in Madhya Pradesh also, but they are all pretty new, so we couldn't do that.

That's one of the reasons. But if you take other crops, if you take rice, even in these tough conditions, we were able to grow in rice with a big market share. We are one of the largest players in rice.

**Viraj Kacharia:** Okay. Okay. Got it. And similarly, in terms of, say, maize or rice, especially maize, if I look at on an annual basis, last year, we did something like RS. 400 crores of sales. How will the product portfolio be distributed, say, Kharif, Rabi and spring?

**Mithun Chand:** Last year, we have introduced some products in spring. Earlier, we were not that big in spring. The results were good in spring corn that just last year, we had done some sales. In Kharif, as I said, we are pretty strong in the southern states. And in Rabi, we are strong in Northern states. And now the hybrids, on the pipeline hybrids, which are there, we are concentrating both Kharif and Rabi.

Most of them are single cross hybrids. And we'll be catering to all the markets in India now. But most of the hybrids are new. It need to be just get more visibility at the farmers level. That's the reason it will take some time. But in terms of the portfolio, in terms of the pipeline, in terms of their performance, we are pretty much bullish.

**Moderator:** Your next question comes from the line of Praveen Pothluru, an Individual Investor.

**Praveen Pothluru:** So can you mention again how much is the cash on the books? And what is the expected cash on the books by end of Q2 and about how much cash outflow we are going to expect with the buyback, if there is any?

**Mithun Chand:** So one thing we have a cash of close to RS. 265 crores, RS. 270 crores as of 30th June. By next second quarter, there may not be a much significant cash increase, maybe RS. 20 crores, RS. 30 crores plus, close to RS. 300 crores, not much. But coming back to buyback, that's again a Board decision. We'll see whether if the Board recommends, we'll do and what amount they decide that we'll let you know once it's finalized in the Board.

**Praveen Pothluru:** Yes. That answers my question. Sir, my second question, for the last 10 years or so, we didn't see much growth in sales or profit. It's close to inflation only. And how do we see our future, let's say, next 5 years or 10 years? And what would be the driver?

**Mithun Chand:** So I've answered this question at the start of the call itself, but anyway, I'll answer once again. I said that it looks like we remain same there in terms of the revenues and profitability. But the product mix has changed and the margins in the cotton have shrunk by more than 15% to 20%. Like earlier, it was 35% in terms of the EBITDA. Now right now, it's only 15% in terms of EBITDA.

Even in the tough conditions, we are able to shift our focus to non-cotton crops, and we were able to manage the margins.

Going forward, we see growth in both the segments, cotton and non-cotton segments as we have very good hybrids in the pipeline. And this year, we thought of a good growth this year, but unfortunately, we couldn't deliver that because of various reasons, mainly monsoon. But going forward, definitely, we are confident that we can deliver both revenue growth and profitability.

**Praveen Pothluru:** And what would be the contribution from exports look like?

**Mithun Chand:** In the next 3 years, we said 5 years in the last year, we said that 5 years, we'll reach RS. 100 crores. But in the next 3 years, we'll reach RS. 100 crores, both in terms of vegetables and...

**Praveen Pothluru:** Would it be margin accretive...?

**Mithun Chand:** In terms of revenue...

**Praveen Pothluru:** Would that be margin accretive for you?

**Mithun Chand:** It will be in line with what we get now. It should be in between that 25% to 30%.

**Moderator:** The next question comes from the line of Dhruv Saraf with Bowhead India Fund.

**Dhruv Saraf:** Mithun, sir, if I look at the presentation, you spoke about 2 new products in hybrid rice, which almost were like 62% of your sales, KRH7344 and KRH7227...

**Mithun Chand:** 53% of the sales is the new products, new product contribution.

**Dhruv Saraf:** Yes. So out of the RS. 247 crores of hybrid rice, 53% came from from new sales, new products, right? That's what it means.

**Mithun Chand:** Sorry, this is only for the new products, 62% of hybrid rice’s contribution from new variants, this is only for the new products, not for the entire portfolio.

**Dhruv Saraf:** Okay. Okay. So okay. Glad my question will not stand because I was about to ask you that 62% of the sales would come from new products. Is that what it's not that case, right?

**Mithun Chand:** No, no, no.

**Dhruv Saraf:** So what would be the contribution from these products? Would it be like 10%, 20%? 30%?

**Mithun Chand:** It should be below 20%, 20%, 25%. I'll give the exact number, but majority of that is the previous old hybrids. But these are the new hybrids in different segments where we see a lot of potential in that.

**Dhruv Saraf:** Okay. So sir, are they replacements for 468? Or are they like in a different market altogether?

**Mithun Chand:** No, they are altogether in different markets. Most of the new launches are in the different markets.

**Moderator:** Our next question comes from the line of Chandramouli Jagannathan, an Individual Investor.

**Chandramouli J.:** Sir, earlier at the end of...

**Moderator:** Sorry to interrupt. Chandramouli, sir, your voice is very muffled. If I can request you to use the handset, please.

**Chandramouli J.:** Sir, earlier you were kind of saying that you will do about 18% to 20% for the next 2, 3 years. I know unfortunately, this year, you kind of lost due to the weather condition. Otherwise, your target is intact in the coming years because of the new thing?

**Mithun Chand:** Yes, we would still maintain that 18% to 20% going forward, 15% to 18%, that's what we said. Still, even though this year is a bad year, but with the line, with the pipeline and the hybrid what we have and with the new launches and the performance of the new launches, definitely in the next 2 to 3 years, definitely, we'll be able to recover that. In the longer or mid or longer term, we are not worried about that. This year, slightly we are down compared to previous year, and we have not maintained our expectations. It's only one-off year for us.

**Chandramouli J.:** So, you mean to say that the next 2, 3 years you will continue to grow?

**Mithun Chand:** Yes, we'll definitely.

**Chandramouli J.:** From the last year level?

**Mithun Chand:** Yes, yes.

**Moderator:** Ladies and gentlemen, that concludes our question-and-answer session. Thank you for joining the call. For any other information, please be in touch with Rama Naidu from Intellect PR on 9920209623. On behalf of Kaveri Seed Company Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines