



Nath Bio-Genes (I) Ltd.

(CIN L01110MH1993PLC072842)

11th May 2026

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 Tuesday 05th May 2026, post declaration of its audited financial results for the quarter and year ended 31st March 2026.

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 Gupta
Chief Financial Officer

NATH SEEDS

हर बीज खरा, शक्ति भरा



Nath Bio-Genes Limited

Q4 FY26 Earnings Conference Call

Event Date/Time : 05/05/2026, 16.00 Hrs

Event Duration : 50 mins

MANAGEMENT DETAILS

Mr. Satish Kagliwal

Managing Director

Dr. Devinder Khurana

Executive Vice President

Mr. Amol Gupta

Chief Financial Officer

Mr. Harish Pandey

Sales Lead

Mr. Venkatesh Kulkarni

Research Lead

Ms. Deepika

Go India Advisors

Q&A PARTICIPANTS:

- | | | |
|---|----------------------------|-----------------------|
| 1 | Deepesh Sancheti | : Maanya Finance |
| 2 | Ronak | : Alpha Advisors |
| 3 | Shreya | : Individual Investor |
| 4 | Majid Ahmed | : Pin Point X Capital |
| 5 | Sandeep Kumar Verma | : Individual Investor |

Moderator

Good afternoon, ladies and gentlemen. I'm Akash, moderator for the conference call. Welcome to Nath Bio-Genes Limited Q4 FY26 Earnings Conference Call.

As a reminder, all participants will be in 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 * and then 0 on your touch-tone phone. Please note this conference is being recorded.

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

Deepika

Thank you, Akash. Good afternoon, everyone, and welcome to the Q4 FY26 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 today's discussion may include certain forward-looking statements and must be, therefore, viewed in conjunction with the risk that the company faces.

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

Satish Kagliwal

Venkatesh, shall I begin? Okay. Thank you, Deepika, and a very good afternoon to everyone. Welcome to our Q4 and FY26 Earnings Conference Call. FY26 has been a year of purposeful growth, one where our strategies have passed a period tangible to this, and where the trust that farmers, partners, and investors place in us has been well rewarded. Before I speak about our own performance, I would like to set the context to the broader industry landscape, because I believe it reinforces why the Indian seed sector, and NAF in particular, presents such a compelling long-term opportunity.

India is the world's fifth largest seed market, valued at approximately USD 4 to 4.5 billion, and is expected to grow at a CAGR of 12-14% for the next five years. With over 140 million hectares under cultivation and the Government of India's push towards agricultural modernization, seed replacement rates, which are currently below 30% for several crops, represent a significant structural growth opportunity for quality seed companies. The union budget FY26 contributed a strong pro-agricultural stance, with enhanced allocation to PM-KISAN, natural farming missions, and the digital agricultural mission.

The government's focus on increasing crop yields per hectare through the high-quality hybrid seeds is a direct tailwind for companies like NAF. Additionally, the Indian government's push to double farmer income and the growing acceptance of hybrid technology in paddy, maize, and vegetables, we believe the inflection point for seed adoption is accelerating. Climate change remains a definite challenge for Indian agriculture. Erratic monsoons, shifting pace patterns, and extreme weather events have made farmers acutely aware of the need for resilient, disease-resistant seeds. This is precisely where NAF's decades of R&D investment and our DSIR-recognized innovation centers create a durable competitive advantage.

Our ability to develop agronomic products suited to diverse agroclimatic conditions is what makes NAF a trusted partner for the farming community. Our strategic progress in FY26, at the heart of everything we do is a simple yet powerful mission, to support farmers with seeds they can rely on. 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 with improved realization, reflecting strong farmer acceptance and product superiority. Bt cotton volumes also grew significantly, reaffirming our leadership in this key crop. Our strategic focus on diversification is growing meaningful folds. Paddy value rose 35% YoY, and the cotton-paddy combined portfolio now contributes 58% of our revenue mix, up from 52% last year, a strong indicator of deepening penetration in our core crops.

Within our non-cotton, non-paddy segment, maize emerged as the star performer of FY26, volumes surged 54% YoY, this value rose up 78%. Maize now contributes more than 10% to our top line, making it the highest growth crop in the non-cotton, non-paddy segment. This validates our deliberate investment in this category, and we see significant headroom to scale it further. India's raised demand, driven by poultry, starch, and ethanol industries, is growing rapidly, and we are well-positioned to capture this opportunity. Based on the international front, FY26 marks a historic milestone for Nath. Our joint venture in Uzbekistan contributed INR 1.6 Million to our top line for the very first time, a landmark achievement in our global expansion journey.

Marketing of seeds is currently underway. Results are encouraging, and depending on how this is even laid out, we intend to replicate this model in neighboring geographies. We remain cautiously optimistic about certain African markets as geopolitical conditions stabilize. Our infrastructure backbone has 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 our scientific team's expertise and the depth of germplasm, Nath is well positioned for sustained leadership in the Indian seed industry.

Now, I'll come to outlook for FY27. Looking ahead, we are excited about the opportunities that lie before us. Our pipeline of new varieties across cotton, paddy, maize, vegetables, and the non-cotton, non-paddy segment is robust. We will continue to invest in R&D, expand our distribution network, deepen farmer engagement, and pursue our international growth agenda with stronger focus and rigor. The Indian seed

industry is at an inflection point, driven by rising farmer awareness, growing support for hybrid adoption, and growing demand for food security.

I want to express my deepest gratitude to all our stakeholders, our farmers, employees, channel partners, and investors, for their continued trust and belief in NAF. We remain steadfast in our culture to delivering consistent value, investing in innovation, and building a business that creates enduring impact. Thanks. With that, I would now like to invite Mr. Amol Gupta, our CFO, to share the financials and operational highlights for Q4 and FY26. Thank you.

Amol Gupta

Thank you, Mr. Kagliwal, and good afternoon, everyone. Thank you for joining and taking some time to join us today. Our earnings presentation has been uploaded on the stock exchanges, 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 FY26.

We are making steady and accelerating progress on our strategy to strengthen and diversify our crop portfolio. With the bottom, we have sold 13.8 lakhs packets during FY26, registering 22.35% YoY volume growth and 28% value growth, driven by strong demand for our flagship hybrids, Sanket and Jumbo. Production stability is expected to continue over the next two to three years. Paddy, a core crop for us; paddy volume grew 25% YoY to 75,619 quintals with value growth of 37%.

The cotton-paddy combined portfolio now accounts for 58% of our revenue mix, up from 52% in FY25, a testament to our steady market position in this critical crop. Maize was the standout performer of FY26. Volume surged 54% YoY to 9,639 quintals, with value growth of 78%. Maize, maize now contributes 10.72% to our top line, making it the highest growth crop in the NCD segment. This reflects our deliberate focus on expanding in high-potential categories. Vegetable seeds, while value were down by almost 11%, average realization improves by 6%, from INR 1,178 to INR 1,244 per kg, reflecting a conscious shift towards higher value premium products. We continue to invest in scaling high potential products in this segment.

Plant Nutrition segment, the segment saw a decline of 18%. This is mainly due to China export restrictions, which disturb supply dynamics. We expect this to normalize in the coming year as supply-side pressure ease.

Uzbekistan, international milestone; FY26 marks the first year our Uzbekistan JV contributed almost INR 15 crores to our consolidated top line, a landmark achievement in our international expansion journey and a strong validation of our global growth strategy.

Now, coming to financial performance for FY26. In FY26, the total revenue stood at INR 4,316 million, reflecting a strong 19% YoY growth, a clear testament to the momentum we are building across our core and diversified crop segments. Gross profit grew by 5% YoY to INR 2,403 million, maintaining a healthy gross margin of 56%. The year saw a major normalization of gross margin from the elevated 63% in FY25,

primarily due to a richer product and market mix. Our underlying pricing discipline remains intact. EBITDA for the year stood at INR 525 million with a 12% margin. Profit before tax, after adjustment of exceptional items, grew by 11% YoY to INR 491 million for the year, demonstrating consistent improvement in bottom line performance.

PAT for the FY26 stood at INR 384 million with a PAT margin of 9%. It is important to note that the prior year PAT benefited from a lower effective tax rate of 5% versus 11% this year. Adjusting for this normalization, the underlying PAT performance remained healthy. EPS improved to INR 23.42, a more than 2X increase from INR 11.3 in FY22, reflecting sustained and compounding value creation over the past five years.

Total asset grew to INR 10,829 million. Cash and bank balance stood at INR 707 million. Inventory increased to INR 4,446 million, in line with our planned scaled up for the upcoming season, reflecting our confidence in FY27 demand. Trade payables also moved up to INR 1,305 million as we ramped production ahead of the season. Finance costs increased to INR 133 million from INR 96 million in FY25, reflecting our deliberate working capital investment to fuel the inventory build for FY27. We remain focused on efficient working capital management as volume scales.

Now, I would like to take you to see our five-year track record. It is worth stepping back and reflecting on the journey over the past five years. Revenue has grown from INR 2,783 million in FY22 to INR 4,316 million in FY26, a 55% cumulative increase. EBITDA has expanded from INR 373 million to INR 525 million. EPS has more than doubled from INR 11.3 to INR 23.42.

This consistent compounding is a reflection of quality of our business model and the discipline of our execution. All in all, FY26 has been a year of meaningful operation, and there was a very good operational progress and strategic expansion. We delivered strong revenue growth of 19%, a landmark Uzbekistan milestone, outstanding volume traction in maize and paddy. Our infrastructure, R&D capability, and distribution network position us strongly for sustained quality growth in FY27 and beyond. With our robust product pipeline, deepening farmer relationships, growing global footprint, and a committed team, we enter FY27 with confidence and purpose.

With that, I will now open the floor for the questions. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad, and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have any questions, please press * and 1 on the telephone keypad.

The first question is from the line of Mr. Deepesh Sancheti from Maanya Finance. Please go ahead, sir.

Deepesh Sancheti

Hi. Am I audible?

Moderator

Yes, sir.

Deepesh Sancheti

Yeah. Congratulations. And the Uzbekistan contributed about INR 15 crores to the top line for the first time. What crops are being sold, and what is the JV structure? And what is the revenue target from Uzbekistan over the next two to three years?

Devinder Khurana

Okay. I'm Dr. Khurana. Let me answer the question. Uzbekistan, we had gone as a special gesture for the government of Uzbekistan to set up to a cotton production in that particular area. Uzbekistan cotton production is still not Bt type. They are still on the regular production. So, we are trying to introduce our hybrids down the line, for which Dr. Kulkarni is putting in some special effort. Now, we have been there for two years. This is our third year, and this is the first time we were able to sell whatever we had produced last year or we had exported from India last year. So, as of today, INR 15 crores was only a beginning, if I can conclude that. And down the line, we have not yet put in any targets financially. Maybe by next year, the acceptability of the products will be known because whatever is sold will be grown this year. And depending upon that, maybe we will actually set up a growth target. But let me assure you that this is a good opportunity for the international step of the company.

Deepesh Sancheti

No, but how big -- I just wanted to know how big is the market of Uzbekistan, and how much of it we can take it in the next two to three years. If we must have done some working when we went, I mean, since we are there in Uzbekistan for about two to three years.

Devinder Khurana

Uzbekistan market – sorry.

Satish Kagliwal

Doctor?

Venkatesh Kulkarni

Yes, sir.

Devinder Khurana

Dr. Kulkarni?

Venkatesh Kulkarni

Yeah. We are now into sales of cotton seeds there. Cotton market is about USD 100 million. And altogether, like cereals and other crops together, it is about a USD 450 million market. It is one of the -- whole of Central Asia. This company is for whole of Central Asia. The whole of Central Asia together might reach about a billion-dollar market size in the coming five to six years because of the government's intervention for quality seeds and market opening for new seed companies and new technologies.

Deepesh Sancheti

Great. So going ahead --

Devinder Khurana

Now, your question of how much we can achieve in the next two to three years, it is almost a USD 500 million market. Let us first get it established, and then we can talk of our targets.

Deepesh Sancheti

So, on similar line, just wanted to understand what percentage of our revenues do we aspire to derive from the international operations over the next three to five years?

Devinder Khurana

Not more than 10-15%.

Deepesh Sancheti

Not more than 10-15%?

Devinder Khurana

No, not yet.

Deepesh Sancheti

Okay. So, we don't see that in the next five years, we will not do more than INR 100 crores from the international business?

Devinder Khurana

So, you're expecting that my company top line will be INR 1000 crores?

Deepesh Sancheti

Yes.

Devinder Khurana

And in that case, yes, INR 150 crores, 10 to 15% of top line.

Deepesh Sancheti

Is the growth [indiscernible 00:22:00]?

Devinder Khurana

It is always better to under commit and over perform. So, we are being conservative because we are just getting settled there.

Deepesh Sancheti

That's why I'm asking for a long-term perspective, like, you know, what will be our targets? I mean, I'm sure you want to, you know, lower the --

Venkatesh Kulkarni

I would like to say something on this. Actually, last year, we had some field performances demos. And based on that, we were able to sell this time very good quantity. And honestly speaking, this is the first year wherein our product has gone out to a very large scale in different provinces. Last year, we did only in two provinces of this. So, with this, what has happened is that this year, we give us a complete picture on how it goes. So, I endorse Dr. Khurana's statement on that because it's a new territory, new products, and all the new innovations are being there. Probably, this question on Central Asia, we can answer in the next year's meeting, I think.

Deepesh Sancheti

Okay. Fine. So, can you provide the revenue and EBITDA guidance for FY27? I mean, what will be the volume growth, assuming, I mean, assumptions across the key crops, cotton Bt, paddy, and maize?

Devinder Khurana

We have maintained a conservative line on cotton, but I've always said that the cotton will be growing around 20%. It has proved what I made the statement last year, it has grown to 22%. As far as paddy is concerned, paddy has also grown beyond 20-25%. And maize has given us the biggest booster this year. So, we expect the top line to be growing between 15-20% around that time, and I'm again being conservative. But 15%, hopefully, yes. And the EBITDA margin would be maintained with the slightly upward trend in EBITDA as well as in the net profit margin.

Deepesh Sancheti

Sir, this is in spite of this year being, I mean, India might be affected by El Nino?

Devinder Khurana

El Nino, there are two things.

Satish Kagliwal

Khurana, I would like to speak on that.

Devinder Khurana

Yeah.

Satish Kagliwal

El Nino, yeah. El Nino definitely has an impact on entire agriculture, and it affects us differently in different crops, different geographies. But what growth we are talking about is a balanced growth that we are talking about despite of El Nino. It's not about El Nino. There could be crop shifts, crop changes, there could be geographical shifts, there could be delayed planting, there could be things of that kind. But when it comes to seed sales, we'll maintain our growth pattern overall in terms of all the crops put together, in terms of all the growth in the agriculture, okay?

Deepesh Sancheti

Does Dr. Khurana want to add on this, especially on the El Nino?

Devinder Khurana

El Nino is an environmental thing. Yes, we have faced certain conditions in the past also. So, I have always maintained the statement that Nath Bio-Gene tries to place itself all over where it can sell so that the monsoon effect can be contravened from place to place. It makes me spread thin. I need more territories and more data for that matter, but the end result is that our top line is always protected. I may take a beating on the bottom line, but then once the top line gets maintained, the bottom line always follows. That's the principle of finance. So, we are prepared like what Mr. Satish Kagliwal just said, that we try to balance our products. We try to balance our areas of sales. We try to balance our production also for that matter, and we hope to achieve what we commit to achieve.

Deepesh Sancheti

Right, sir. And how are we placing -- I mean, how are we preparing for El Nino if there is any? Because that might affect our trade receivables or even the demand to some extent.

Devinder Khurana

Actually, we are dealing with people. I'll ask Harish ji also to intervene here. We are dealing with the dealers, distributors, growers who are with us for many, many, many years. And, there is hardly anything that we feel may go wrong. We only supply what is technically being sold. We trace the products right till the point of growing. So, normally, spreading the market is the forte that is being done by Mr. Harish Pandey. I would like him to add something more to this, please.

Harish Pandey

Yeah. Good evening, ladies and gentleman --

Venkatesh Kulkarni

I can also, sir?

Devinder Khurana

Yeah.

Venkatesh Kulkarni

See, it's not a first year where we are talking about El Nino and others, right? We are talking with about El Nino since two, three years, right? So, all the times, wherever we plan, we plan at least one year before further production. So, whenever we plan, we always see what can go wrong. So, this part is also being taken care since the preparation of production, right? So, we know what can go wrong. So, according to the preparation has been made. And definitely, if a thing comes, we are in a position to do better than the industry. Whatever industry do, we may do better than the industry.

Harish Pandey

Can I have a small word?

Devinder Khurana

Yeah.

Harish Pandey

Yeah. El Nino impact, the predicted days, about 92% of the rainfall. That mean to say, wherever rainfed crops are there, the impact is more. Rainfed crops in India, more are pulses and oilseeds and part of the rice. So, in all these three crops, we are not there. Delayed sowing might be one of the prediction. Whenever the sowing gets delayed, cotton becomes most predominant crop there. So, in all these facets together, we are in right position, and our products are right position. They will not get impacted by El Nino impact.

Devinder Khurana

Yeah.

Venkatesh Kulkarni

We have a variety. You see, we are not dealing with one kind of, you know, these things, right? We are dealing with the long-duration hybrid. We are dealing with the medium-duration. We are dealing with the short-duration. So, whatever things goes, as per that situation, we change our strategy to overcome all these mishappenings.

Deepesh Sancheti

Great, sir. Gave a great understanding. Thank you so much, sir. And all the very best.

Devinder Khurana

Okay.

Moderator

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on the telephone keypad. I repeat, if you have any questions, please press * and 1 on the telephone keypad. The next question comes from the line of Mr. Ronak from Alpha Advisors. Please go ahead, sir.

Ronak

Thank you so much, sir. Am I audible?

Devinder Khurana

Yes, please.

Ronak

So, I have basically two questions. The first one is, are there any planned CapEx investments for FY27 in processing capacity, cold storage, or new geographies? And what is your total CapEx budget?

Devinder Khurana

Oh, I think we can answer both in one line only.

Ronak

Okay.

Devinder Khurana

As a matter of policy, as a matter of strategy, Nath has not been investing much in CapEx. If you go through my balance sheet, so you will find that we have only land bank as CapEx, and we also have vehicles as CapEx because which we need for ensuring sales production and things like that. But investing money in processing plants and storages, we are averse to it.

The reason is very simple because these are available across the country in various areas for rentals, including processing. And we find it is more economically viable because the requirement of such infrastructure is very limited. We need maize for about 15-20 days. So why have a machinery for maize for the whole year? So, CapEx budget for plants and such other things, just minimal, and vehicles, yes. That's it. Hello?

Ronak

Oh, yeah.

Moderator

Go ahead.

Ronak

Okay. The second question is, it's similar to the earlier question, but bit different. So how are erratic monsoons and climate change impacting the safe demand patterns? And how are you adjusting the product development and distribution accordingly?

Devinder Khurana

I will just give the basic, then, Pandey ji can add to that. Erratic monsoons have been here to stay for so many years, and they will continue to give us nightmares. So, we are used to it. Like what Mr. Harish Pandey said, we prepare in such a way that we prepare for contingencies. We place our stocks much before the monsoon.

We are ready to shift the stock from place A to place B in case there's a rainfall there or scanty rainfall there or scarcity of rainfall there. We have products, sir, which are there for various types of climatic conditions, whether it is less rainfall or more rainfall. We have products, which are there for, you know,

which are suitable to a particular territory. So, we try and place our products, well in time in all the places that where we sell, and that helps us in partially offsetting the erratic monsoon trauma. And what happens is, if something doesn't sell somewhere, something else will sell somewhere. So, as a result, we are always able to clock our sales. You want to add something, sir?

Harish Pandey

No. Thanks. Just to add the thing we are not supplying 100% or 90% stocks to the retailer or farmer, right? We are supplying these stocks to our branches. So, in case if there is any, you know, rainfall changes, somewhere we get early rainfall, somewhere else, so we can shift our stocks immediately. So, this is a kind of preparation we built well in advance, so we have plans for that. We have already told in detail.

Ronak

Okay. Makes sense, sir. Thank you so much, sir.

Moderator

Thank you, sir. Ladies and gentleman, if you have any questions, please press * and 1 on your telephone keypad. The next question is from the line of Ms. Shreya, an Individual Investor. Please go ahead, ma'am.

Shreya

Hello. Am I audible?

Satish Kagliwal

Yes, ma'am.

Devinder Khurana

Yeah.

Shreya

Okay. Thank you for the opportunity. I had a few questions. So, basically, the PAT declined 8% YoY to almost, like, INR 384 million despite, you know, we having a revenue growth of 19%. And also on the tax rate front, it increased from 5% to 11%. Could you just let us know exactly what drove this increase, and what should we assume for the effective tax rate going forward?

Devinder Khurana

Ma'am, profit after margin or after taxes has increased in value; as a percentage, it has taken a drop of 1% dip. We attribute it basically to a more finance cost and more cost to spend on the schemes and marketing expenses, because to clock the kind of top line, you have to spend money on the expenses. But it would continue to be on an average in the same range, maybe 1.5% basis points more than what we had this year because the things have stabilized.

Otherwise, the top line has grown, but the gross margin has also fallen. Like, I made a statement last year. The last year gross margin was 64%, which was, like, something unique which happened to our company. And at that time, somebody had asked me just whether 64 is here to stay. And I said, sorry, no way. It will come down to 53-54%. That is our gross margin. So the top growth line, some part of it has taken into the production cost also. But we are still maintaining a healthy PAT line, and we would continue to maintain, so.

Shreya

Okay. Thank you. I had another question, though. So, cotton Bt volume grew 22% YoY. How does this compare to the overall industry growth rate? Like, are you gaining market share? And if you are gaining, so from whom? And average realization in cotton Bt also improved from 275 to 293. So, do you see further headroom for price increase, or is the market getting increasingly competitive on pricing?

Devinder Khurana

I think, let me and Harish handle that. We are sitting right in front of it. What she's asking is whether our cotton volume has grown by 22%. That is, ma'am, because our product like Sanket and Jumbo are very well accepted into the market. We have been facing production constraints over the last two years, and this year, they have been set aside, and we are good. So next year, it may be even better.

Secondly, your question of whom has it displaced? Now, that is very difficult to predict in the cotton market. Everybody is selling cotton. Overall market is same. Overall area under cotton production is almost the same. So, as a result, we are all displacing each other. The government is not yet putting in more effort for cotton production area enhancement. So, somebody must have dipped. And if your product is good and if it is in demand, maybe next year, we'll display somebody else also.

Harish Pandey

Yeah. And definitely, then we are growing -- we are taking the shares from someone. So definitely, the shares will be taken from the leaders, those who are already leading in the cotton market.

Shreya

Okay. Got it. Okay, thank you so much. Thanks for the opportunity.

Moderator

Thank you, ma'am. Ladies and gentleman, if you have any questions, please press * and 1 on your telephone keypad. The next question comes from the line of Mr. Majid Ahmed from Pin Point X Capital. Please go ahead, sir.

Majid Ahmed

Am I audible, sir?

Satish Kagliwal

Yes, sir.

Devinder Khurana

Yes, sir.

Majid Ahmed

Yes, sir. Thank you for the opportunity. So, my first question is regarding you have mentioned Sanket and Jambo as flagship brand. That's a production stability over the next two to three years. What is the product life cycle beyond that, and what is in your next generation cotton pipeline?

Amol Gupta

Yeah. So, see Majid, although Sanket and Jumbo has been launched three, four years back only, right? But if you see the performance, it's outstanding. Another thing is the kind of pipeline we have, we have a product 2020, which is either similar or better to Sanket. And we have so many other products which we don't want to disclose now. But, yes, definitely, we have better than Sanket and Jumbo. So, now the competition is not with the industry. Now, our competition is in-house, right? We have to beat our own products. So, lifecycle, you can't say, like, Sanket is having four, five years life. Over there, we have so many other product better to Sanket.

Majid Ahmed

So, the cotton-paddy now contribute around 58% of our revenue. Is there a risk of over concentration in these two crops? So, how are you balancing the portfolio diversification while protecting your core strengths?

Devinder Khurana

If you can go through our earlier con-calls that we had. About three, four years back, I had introduced the concept of NCP crops, that is non-cotton, non-paddy crops. Because any seed company, which is reliant upon only one or two major crops has a fear of losing the sales down the line. So, we were expecting NCP to grow. If you go through our system, you will find that NCP has still grown this year also, although, albeit by only 4%, for the simple reason because cotton and paddy themselves have grown a little more than regular. That does not mean that we are only relying on cotton and paddy. Run through by portfolio, you'll find maize, which has done exceptionally well this year. We have bajra, which has done exceptionally well last year, and this year it has maintained line.

We are concentrating on wheat and mustard. Both of them put together have also grown up, and they have given us reasonably, wheat and mustard have grown in 10-15% in value over last year. Maize has grown by almost about 78% over last year, right in value, and in volume by 54%. We are also concentrating on vegetables and nutrient supplements. So, we have a very, very well-balanced product portfolio, and we have a very, very well-balanced [indiscernible 00:40:54] of the selling areas.

So, we are not only a cotton-specific. Actually, when I introduced this NCP concept in the system, at that particular time, one of the investor had asked, sir, how can a seed company be a seed company without cotton being sold? So, at that time, I had said, boss, we are not going to let go of cotton. Our cotton products are getting lined up. However, we are also trying to give thrust to other products that is a field crop product. So, we have a balanced portfolio. Please don't be worried about that. We have a very balanced one.

Majid Ahmed

Okay, got it, sir. Sir, currently, for this financial year, we are seeing a negative cash flow. What is the main reason for it, sir? I think immediately, like, how we incurring our working capital going forward?

Devinder Khurana

Two things in that. The negative cash flow has an issue in calculation, for the simple reason because we have almost over INR 70-80 crores of cash and bank balances, which are lying in the bank at the end of

March, both years, last year also and this year also. Last year was around 85. This year was around 70. So, that effect doesn't come in cash flow.

Actually, that is reduction of liabilities for advanced booking or maybe, you know, you can add it to the debtors. So, if you calculate like that, you will find that the cash flow is not negative. However, as per the formula, it is definitely going negative by about INR 13 crores, which is not a very big issue because we have almost about INR 70 crores of almost bank deposits lying up.

But this year, the stock build-up has been a little more than earlier year for the simple reason because we were expecting the production of cotton to stabilize. Last two years, we are feeling that if we give a 100, we get only 20. This year, when we gave a 100, we got almost 70-80. So, good production has taken place, and cotton has a long life, very good long life in the shelf. So, as a result, we are keeping it lined up, and we are stabilized for that. So, minor cash flow negativity will not affect our working capital needs.

Majid Ahmed

Okay, sir. Got it, sir. Sir, finally, going forward, like, what's the sales and marketing spend as percentage of sales for FY25?

Devinder Khurana

Sorry. Can you please repeat it?

Majid Ahmed

So, going forward, what would be our percentage of sales and marketing, sir? Percentage of overall sales going forward?

Devinder Khurana

In terms of expenses?

Majid Ahmed

The sales and marketing expenditures, sir. How much are we looking?

Devinder Khurana

Sales and marketing expenditures, Okay. So, sales and marketing expenditure, basically, there are two components to that. One is expenditure made into the market, and second is schemes which are given to

the trader. This year, the schemes have reduced from 32% of last year to 28%. Although, as a volumetric -- oh, sorry -- as a value, they would have increased definitely.

The other expenses into the market are commensurate to the demand of the market, so they increase at 5%, 7%, 10%, which is normal inflation rate. There's nothing much that is being done there. Although we have to do a lot of showcasing of our products into the market. The major expense in sales and marketing is our schemes, and schemes are controlled based on the sales. So, as a result, if the schemes go up, the sales definitely go up multiple.

Majid Ahmed

Yes, sir. When do we see the inflection points are going in this year in terms of higher sales growth?

Devinder Khurana

Sorry?

Majid Ahmed

Sir, when do we see, the benefit of these expenditure translating to much higher revenue growth, sir, going forward?

Devinder Khurana

Boss, as far as the selling expenses are concerned, they are not that high, and we don't go overboard in making selling expenses. We make the selling expenses based on the products that are being sold into the market, and schemes are directly, you know, commensurate to the sales. So, selling expenses do not have any inflectional growth of the sales. Sales growth because of the products that we introduced into the market, and the research products, which Dr. Kulkarni is kind enough to put it to the marketing team. So, it's a normal game.

Majid Ahmed

Okay, sir. Got it, sir. Thank you, sir. All the very best.

Moderator

Thank you, sir. Ladies and gentleman, if you have any questions, please press * and 1 on your telephone keypad. The next question comes from the line of Mr. Sandeep Kumar Verma, an individual investor. Please go ahead, sir.

Sandeep Kumar Verma

Hello, sir. Good afternoon. Again, I want to ask regarding cash flow statement. Cash flow statement inventory, if you see inventory, okay, since March 2024, it was minus INR 22 crores. And in March 2025, it was minus INR 108 crore. And in March 2026, it is minus INR 113 crores. So, is it means that we are not able to sell the product in the market? Inventory is going up and up since March 2024?

Devinder Khurana

That's a good question. The only thing which I don't tend to agree with the question is that if you are unable to sell the product into the market, then how is the top line growing by 20%? Somewhere something – it is just a matter to think, not to debate it. Okay.

Now, coming back to your question, inventory being negative in addition to inventory, like I said, the last two years, we are trying to stabilize the production for future. And in that particular case, our products which are not giving us the kind of production or currently giving us overproduction. Now, if I have production line up into the market, just because my inventory is going to increase, I cannot leave that with the producer because they will sell it elsewhere. My product will become fabricated. It will get siphoned out. So, we are bound to take back the production because it is my production being done on my behalf. So, this can lead in adding to the inventory. Please remember that if my inventory goes up, the next year's production goes down. That's why Mr. Gupta said that stability of production over a period of two to three years.

So, I know carrying inventory is a little costly affair, but then it is not detrimental to the sales. And what my marketing people tell me is that whatever we have accumulated this year in cotton, he should be able to liquidate over next two years. Cotton has a shelf life of five to seven years, no issues in that. So next year, definitely, the production will go down, but the sales will increase. That's what I think.

Sandeep Kumar Verma

Okay. So, we can say in two years, we will be able to sell our inventory?

Devinder Khurana

Don't worry. By that time next year, again, the inventory will come back. We get inventory to sell inventory. That is why the top line is going up. And don't forget, every paisa gives me 56% margin.

Sandeep Kumar Verma

Okay. Thank you, sir.

Moderator

Thank you so much, sir. There are no further questions. Now, I hand over the floor to the management for closing comments.

Devinder Khurana

So, in the end, I would like to thank everybody, especially my investing community, for showing their continued interest in the company year after year, quarter after quarter, half year after half year. We have been making very conservative commitments to the community as such, investor community, and we have always tried to maintain. I can only make two lines that your company is well-balanced in portfolio.

Your company is well-balanced in pan-India presence of selling. Your company is trying to escalate or step up international footprint also. We have good human resources, very well lined up, and we hope to cross INR 500 crores of top line soon. No commitment, but with your enthusiasm, with your prayers, and with your support, this company is here to stay and do well. Thank you. Thank you very much.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call services. You may disconnect your lines now. Thank you, and have a pleasant evening.

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- Note:**
1. This document has been edited to improve readability
 2. Blanks in this transcript represent inaudible or incomprehensible words.