



3rd April 2018

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Dear Sir,

*Sub : Transcript : Kaveri Seed Q3 & 9M FY 2018 Result Conference Call on
9th February 2018 - Reg.*

Please find attached herewith Transcript of Kaveri Seed Company Limited Q3 & 9M FY 2018 Result Conference Call made on 9th February 2018. The same was displayed at our company's website : www.kaveriseeds.in

This is for your kind information and record.

Thanking you,

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


C.MITHUN CHAND
WHOLE TIME DIRECTOR

Encls: a/a.



Kaveri Seed Company Limited

Q3 & 9M FY18 Earnings Conference Call Transcript

February 09, 2018

Moderator Ladies and gentlemen, good day and welcome to the Kaveri Seeds Company Limited Q3 & 9M FY18 Earnings Conference Call. 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 * and then 0 on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Gavin Desa from CDR India. Thank you, and over to you, sir.

Gavin Desa Thank you. Good Afternoon, everyone, and thank you for joining us on Kaveri Seeds Company Limited's Conference Call. We have with us today Mr. Vijay Kumar – the CFO.

Before we begin, I would like to point out that certain statements made or discussed on today's conference call may be forward-looking in nature and must be viewed in conjunction with the risks we face. The Company does not undertake to update them. A statement in this regard is available in the presentation.

We will begin this call with opening remarks from Mr. Vijay Kumar who will share updates on the environment and the strategic imperatives of the company. We will then have the forum open for an interactive Q&A session.

I now would like to hand over to Mr. Vijay Kumar to share his views. Over to you, Vijay.

Vijay Kumar Thank you, Gavin. Good afternoon and a very warm welcome to all of you. I will start by giving you the industry backdrop and then spend some time on our performance.

At the outset I would like to introduce Mr. Satish Patil as new COO of the Company. Satish has total experience of 28 years in agro input industry spanning across various Indian and multinational companies like Bayer and Syngenta. Satish Patil has worked in both Seeds as well as Crop Protection businesses. The board believes that Satish Patil will add tremendous value to Kaveri Seeds. Satsih

Ganiger, our previous COO, had resigned for personal reasons. I would like to take this opportunity to thank Satsih Ganiger for the important role he has played at the Company.

All signs point towards a healthy Kharif in 2018. Cotton outlook looks healthy despite Pink bill worm issues impacting yield as well as quality; as cotton prices have remained lucrative. At this stage, more than 50% of our cotton seed production has come in and this year cotton seed production will follow last year's healthy trend both in terms of quantity and quality; and current recovery rates are also strong. Further, Rabi Maize and hybrid Rice seed production remain on target. Also, Vegetable sector has performed well as compared to 9M.

Coming to our performance, if we look at specifics of each crop performance for Kaveri, in 9M FY18 we have sold 6.94 million cotton packets this year as compared to 5.4 million cotton packets last year, a 28% growth, reinforcing our cotton leadership. We are now the No.1 cotton Seed player in India excluding the North region, with a market share of ~15%. This performance was enabled by significant gain in Gujarat, Maharashtra, Karnataka. We have been progressively expanding footprint outside of Telangana/Andhra Pradesh and Karnataka; and have increased R&D effort in North. Our new hybrid Money Maker has been received positively. We launched 2 new cotton hybrids and 2 new cotton hybrids are under demonstrations with farmers. One more cotton hybrid, we are launching to meet the Northern market that is to meet the Punjab, Rajasthan and Haryana market. Hopefully, next year there will be modest kick start.

We have been building a meaningful non cotton business with higher product launches and notifications. Hybrid Rice value increased by 10% in 9M inspite of drop in govt business. New product went up from 1% to 18% of volume. Selection Rice Volume grew by about 30% in 9M on back of the decision to produce major quantity in Kharif season and additional plant capacity that is in Warangal. Contribution of new products went up from 3% to 8%. For Q3, Selection Rice was impacted by 6%. Sunflower volume has doubled in 9M FY18 compared to 9M FY17. Bajra volumes are under pressure but it is worthwhile to note that new product contribution has gone up from 6% to 14% of volume. Coming to maize, as I mentioned earlier the market has been challenging where Karnataka degrew by 12% and Telangana by 23% for Kharif Season. Another contributing factor for decrease in Maize volume was reduction in sales to government programs. In 9MFY18, maize volumes declined from 10,400 metric tonnes to 9,200 metric tonnes. Q3 maize volumes declined by 18% YoY due to lower exports and lower sales in Karnataka. Rabi exports impacted due to crop shift to Hybrid Rice in Bangladesh from maize. We do not have permission to sell the hybrid rice in Bangladesh. Soon, we are availing permissions from the government of Bangladesh.

Our steady investments to bolster R&D initiatives have translated into encouraging outcomes. We have launched new hybrids across crops during the 9M period. During Q3 we had notifications for 2 new rice hybrids and 1 tomato hybrid.

In 9M FY18, Standalone Revenues stood at Rs. 730.8 crore as against Rs. 629.7 crore in 9M FY17, marking a 16% growth. In Q3 FY18, Standalone Revenues stood at Rs. 70.6 crore as against Rs. 67.9 crore in Q3FY17. Though Maize volumes were impacted Revenue increased due to high value product mix.

In 9M FY18, EBITDA stood Rs. 253.6 crore as against Rs. 197.6 crore in 9M FY17, translating to an EBITDA margin of 34.7%. In Q3 FY18, EBITDA stood Rs. 11.4 crore as against Rs. 13.5 crore in Q3FY167, translating to an EBITDA margin of

16.1%. In 9M FY18, PAT improved by 38% YoY to Rs. 228.7 crore. In Q3FY18 PAT improved by 53% YoY Rs. 5.4 crore. Other income is lower as a result of lower investment redemptions.

I am pleased to share the Balance Sheet continues to remain strong. Debtors stood at Rs. 170.9 crore as on Dec 31, 2017 whereas it was Rs. 69.8 crore as on 31st March 2017 and Rs. 194.5 crore as on Dec 31, 2016. Compared to last year, there is a reduction of Rs. 24 crore in debtors. Total cash on books stood at Rs. 458 crore as on Dec 31, 2017 whereas it was Rs. 649 crore as on 31st March 2017 and . This is Tier-2 8.36 buyback and dividend and 538 crore as on Dec 31, 2016.

As a Company we continued to judiciously and cautiously create long term shareholder value. We firmly believe in Kaveri Seeds' long-term growth prospects and are committed to distributing capital to our shareholders. The Company's strong balance sheet and cash flows enable us to reward the shareholders, and that is also part of our corporate philosophy. We effected a Rs. 200 cr buyback in Aug 2017 and Rs. 25 crore of dividend in the same period. The Company annually generates cash of Rs. 200-250 cr. We intend to distribute a large proportion our cash capex after meeting any CAPEX and any working capital gaps to our shareholders.

In terms of industry outlook, we don't expect any major crop shifts in Kharif 2018 where Cotton remains the most profitable crop as compared to other crops because as on date, the cotton prices are very lucrative. Further, Kharif maize acreage is expected to improve. Vegetable market picked up in Q3, and Q4 is expected to be better.

Kaveri expects to do well in Cotton irrespective of flattish industry growth driven by market share gains in Maharashtra, AP & Telangana, and Gujarat. Jaadoo, ATM have been performing steadily and recently launched Money Maker has received strong traction. We expect Rice to grow on the back of KPH 468 and several products launched and notified. Maize performance will be driven by 2 new Rabi hybrids and 3 new Kharif hybrids. Strong Vegetable growth will be driven by new hybrids across Okra, Tomato and various Gourds.

Kaveri Seed is optimally positioned from a financial, operational, scale and product portfolio perspective to leverage opportunities in the space. We have made concerted efforts over the last couple of years to truly de-risk the Company and build a future ready organization. The pillars of which have been clearly identified including diversification, organizational capability, increased visibility and mindshare, supply chain and reinforcement of cotton leadership. We have had higher launches, demonstrations, notifications and increasing contribution from newer products. The product portfolio we are focusing on today will ensure sustained traction in both revenue and earnings performance, largely capturing impact of transformative initiatives that we have taken in the past year. We have the levers in place to deliver profitable growth and expanding value to our stakeholders.

On that note I conclude my opening remarks. We would be happy to give you our perspective on any questions that you may have. I would request the operator on this call to open question and answer session. Thank you.

Moderator

Thank you very much. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Nitin Gosar from Invesco Mutual Fund. Please go ahead.

Nitin Gosar Just wanted to check on the newly announced MSP formula. There seems to be a gap between what the MSP price on cotton today is and what could be the potential MSP price for cotton. Any thoughts on that what is the difference on MSP and the actual and the product price which is selling in the market and does it mean that our consumer that is farmer will have a good upside on that MSP which they right now receiving?

Vijay Kumar As on date whatever government announced in the budget about the MSP is not fully clear, but it is good for the company and good for the market and for farmers, but as on date the existing market price of the cotton is very lucrative and also the government is saying that support price will be 150% of the cost of production, the market price is meeting as on date. If any upside comes, it will give further volume increase for the Kaveri Seeds to sell more packet seeds.

Nitin Gosar And second question is with respect to our earlier audit on investigation which was happening from SEBI side. Any outcome on that?

Vijay Kumar Nothing has come out from that front. As I mentioned in previous calls also, post August 2016, we have not heard anything from the SEBI auditors and from anywhere else.

Nitin Gosar And anything we have witnessed, anything on income tax side on our taxation policy?

Vijay Kumar Income tax department officials had visited our company like many companies in the seed industry and we are sharing whatever information they have sought.

Nitin Gosar They have not yet reverted back any conclusion on the taxation policies that we are using right now and nothing has been concluded?

Vijay Kumar That is as per the accounting requirements, we are yet to hear anything conclusive, but it takes long time.

Moderator Thank you. The next question is from the line of Abhijeet Akela from India Infoline. Please go ahead.

Abhijeet Akela First, just a clarification regarding the revenue breakdown this quarter. So out of the total revenue of 70 odd crore, it seems that maize was about 38 crore this quarter and cotton and hybrid paddy were 2 crore each. So the remaining 28 crore or so, could you just give us some sense of what the other crops were. Was it mainly Sunflower or was there also some Bajra or what else was it?

Vijay Kumar Some pearl millets and Sunflower and apart from that, another Rs.16 crore of lint and substandard sales is there.

Abhijeet Akela 16 crore from lint and maybe 12 crore or so from all the other...

Vijay Kumar Small seeds sales and rest is all other crops sales like vegetable seeds sale, Sunflower seeds sale, Bajra and other pearl millets sales.

Abhijeet Akela And in terms of the inventory write down this quarter and in the 9 months, what do the numbers stand at now?

Vijay Kumar This quarter, inventory write-off is around Rs. 3.6 crore and overall compared to last year, this year substantially.

Abhijeet Akela And 9 months, what would the number be?

Vijay Kumar 9 months, it is around Rs. 19 crores.

Abhijeet Akela And if you could just update us on the status of your cotton advances which I think the advance booking must have largely concluded by now if I am not mistaken. How does it compare versus last year?

Vijay Kumar No, it has not concluded, launched in January second week only. Post demonetization, launching of the advanced ABS system was delayed. Last year also, we launched in January second week. It is going well, more or less in line with last year trend only. We are expecting that by April total schemes will be closed and we will meet the targets as per expectation. State by state we are launching, some of the states we have yet to launch and we are expecting reasonable response from them.

Abhijeet Akela Understood. And one last thing from my side. Just on the size of the market, I guess the BT cotton overall market size for last year must have been around 50 million packets, possible to just share some breakdown of that market between AP, Telangana, Maharashtra and the other major states?

Vijay Kumar That numbers not there with me. So I will come back to you, Abhijeet.

Moderator Thank you. The next question is from the line of Dikshit Mittal from Subhkam Ventures. Please go ahead.

Dikshit Mittal My question is on our expectations for next season. You have mentioned in your remarks that you expect the cotton industry to be flattish. So but considering that last year there was lot of spurious sales we willingly vacated some of the market. So what kind of growth rate can we expect from Kaveri in cotton next season?

Vijay Kumar For financial year 2018-19, overall market size of the cotton will be plus or minus 5%, but we are expecting for Kaveri 10% growth. We are expecting a growth in Maharashtra and Gujarat markets.

Dikshit Mittal So 6.9 can go to around 8 that is current expectations for next year?

Vijay Kumar 5 to 10% growth is expected.

Dikshit Mittal And sir do you see corn market coming back next year because this year has been a degrowth. So do you expect some pickup there or what is the current like estimate?

Vijay Kumar Corn market may grow next year 10% overall on volumes. Kaveri will grow by 10%-15% in volumes and price may go up by 3% to 4%.

Dikshit Mittal So we can expect around 20% growth in corn next year?

Vijay Kumar Yes, 15%-20% growth in corn in next year.

Dikshit Mittal And sir secondly, you mentioned in your opening remarks regarding your cash distribution policy, so considering that current year cash flow will be around Rs. 230 crore kind of profit. So can we expect major 70%-80% of that to be given back to shareholders post March?

Vijay Kumar Very soon, management will come back on distribution and post March as you mentioned, we will come back.

Dikshit Mittal I think you mentioned that majority of it will be given that. So I think because your CAPEX is not much, Rs. 20-25 crore annually. So post that I think everything should be distributed because currently already have more than Rs. 400 crore cash on the books.

Vijay Kumar Approx Rs. 50 crores may require for CAPEX and some money for working capital gaps. Rest, we will distribute.

Vijay Kumar Modality and time management will come back.

Moderator Thank you. The next question is from the line of Nandan Varda from Wealth Managers India Private Limited. Please go ahead.

Nandan Varda I just wanted to know about the vegetable sales number in 9 months FY18 and corresponding period?

Vijay Kumar Corresponding period, last year only we launched this vegetable business. Normally, this year first half is not well. Second half only picked up that to December onwards. And last year same period, we did only Rs. 1.5 crore business. This year, we have already done first 9 months around Rs. 3.5 crores.

Nandan Varda So what would be FY18 full year number for vegetables?

Vijay Kumar Wwe are expecting Rs.12 crores for full year.

Nandan Varda And second question was regarding export business of the company. So what percentage of total sales is from export and where do we see that number going in medium to long term?

Vijay Kumar Exports business, this year we did around Rs. 14 crores . Going forward, we are registering our paddy and vegetable products and many other products, okra and all, in many countries. As on date, we are exporting to Bangladesh only. Going forward, we are registering with Pakistan, Nepal, Zimbabwe, Malawi, Egypt and Myanmar. So next year onwards, you can see that some traction in export business and after 2-3 years, there will be strong momentum.

Moderator Thank you. The next question is from the line of Niket Shah from Motilal Oswal. Please go ahead.

Niket Shah Just wanted to understand given the current crop prices, you mentioned cotton remained flat, which are the crops you think will get traction next year. Would it be paddy or would it be corn in your view?

Vijay Kumar As on date cotton rate is very lucrative and we are expecting plus or minus 5%, but we will grow as mentioned earlier. Maize will grow at least 10% whereas we will grow 15%. Rice looks better, hybrid rice we have grown 8% this year. Next year,

we are expecting around 20% to 25% growth. Selection Rice, this year we grown 14%. And next year, we are expecting minimum 20% because we launched new hybrids, which are all giving lot of outlook. Millets also, this year flat but next year we are expecting to grow 25%-30% and vegetable sales, we are expecting at least 30%-40% growth in next year.

- Niket Shah** And the other question I wanted to understand is on the cost of production. This year has been one of the best years, I mean the year which went by has been one of the best years for cotton. Have you seen for the upcoming season the cost of production of cotton seeds coming down or the yields have been very bad that the cost has not come down?
- Vijay Kumar** Honestly, cotton yields are come down little bit and cost of production may increase. Due to erratic rainfalls and untimely rainfall. It may not be substantial, little bit increase is there because last year is the best year.
- Niket Shah** And final question, I missed on the sales written and the write-off number if I you have mentioned in the earlier remarks, I missed that.
- Vijay Kumar** Last year same period, we have written-off around Rs. 7 crores, this year around 3.6 crores. Compared to last year, this year substantially low.
- Niket Shah** So 3.6 versus 7 of last year same quarter?
- Vijay Kumar** Yes.
- Moderator** Thank you. The next question is from the line of Keyur Pandya from Prabhudas Lilladher. Please go ahead.
- Keyur Pandya** One question is regarding sir if you can give the breakup of per packet average, what would be the realization cost of production in royalty, basic question, but it will be helpful.
- Vijay Kumar** I can tell you the price and royalty and commissions, ballpark range. But I cannot drill down everything to cost of production. As on date cotton price as per the government notification, we have to sell at Rs. 800. Out of that, Rs. 49 is the royalty cost including GST and 17%-20% as distributor / dealer commissions depend upon their participation in various schemes.
- Keyur Pandya** So 800 minus 20% would be your net realization, right?
- Vijay Kumar** More or less, it will vary 1%-2% year-on-year depends upon the market and competition.
- Keyur Pandya** And no number on cost of production which you earlier used to provide?
- Vijay Kumar** It is market sensitive information and we are reserved on cost of productions details.
- Keyur Pandya** And sir in this quarter, any reason for sharp reduction in the other expenses?
- Vijay Kumar** One is CSR expenditure Rs. 5 crore reduction is there. Second is provision for bad debt is sharp reduction of 1.1 crore. On Sales promotion expenses couple of crore reduction is there.

Keyur Pandya CSR?

Vijay Kumar Yes sir, corporate social responsibility expenditure.

Moderator Thank you. The next question is from the line of Karthikeyan from Suyash Advisors. Please go ahead.

Karthikeyan What is the production target for cotton seeds for the upcoming Kharif season and what inventory would you have with the beginning of the season?

Vijay Kumar We are targeting at least (+10%) inventory for next Kharif season. As on date, the arrivals have started. We hope we will meet the next year's market requirements.

Karthikeyan So you mean you would have roughly a crore packet to begin with?

Vijay Kumar Maybe 70 to 80 lakh packets.

Karthikeyan And one question is with regard to this pink bollworm problem, has there been any specific state government action in any place with regard to seed performance and so on?

Vijay Kumar Not much anywhere. In some state governments initiated and certain companies struggling, certain companies are going legal. This pink bollworm is not due to seed only it affects because of many other reasons also.

Karthikeyan But there has been no specific thing that you heard from any of the state governments?

Vijay Kumar Yes.

Karthikeyan And next year Maharashtra growth would be what according to you FY19 Kharif cotton growth? This year has been very good, so?

Vijay Kumar Next year, we are expecting 30% plus growth for cotton in Maharashtra.

Moderator Thank you. We have the next question from the line of Arun Baid from BOB Capital. Please go ahead.

Arun Baid Sir just wanted to ask the production price which you have to pay to the farmers for growing the seeds which you have given to them. There was used to be a minimum price the state used to fix, so what is the price now?

Vijay Kumar We are not paying any price. We are taking the land on lease and we are cultivating our own. We are supplying foundation seed and we are cultivating. We are taking the land on lease from the farmer.

Arun Baid So there is no assured price which you have to pay them, right?

Vijay Kumar We are cultivating, we are producing ourselves. We are not buying from the farmer. We are taking the land as a lease from the farmers and cultivating & producing our own developed seeds

Arun Baid Earlier, we used to give it to them and we used to give a minimum price to them based on what the government used to decide, we used to have that system I am very sure 2 years ago.

Vijay Kumar Some times due to 2% to 3% shortfall in production, then we buy, but normally we produce ourselves.

Moderator Thank you. The next question is from the line of Amit Vora from PCS Securities. Please go ahead.

Amit Vora What is the status about this income tax raid that had happened and what is the status of it right now? I am sorry, I joined a bit late in the call, sorry for that.

Vijay Kumar See as an industry, they have raided many companies along with Kaveri. Whatever the information they are seeking, we are sharing. As on date, that is the status.

Amit Vora Any reasons as why it was not like reported to the exchanges?

Vijay Kumar There is nothing. They raided us and few more seed companies. Without any outcome, without any major issue I don't have any info to share?.

Amit Vora And what is the total amount of inventory that we are carrying right now sir?

Vijay Kumar Exact number, I do not have. I will come back to you.

Moderator Thank you. The next question is from the line of Shashank Kanodia from ICICI Securities. Please go ahead.

Shashank Kanodia Sir on the pink bollworm part, time and again there has been damages to domestic farming community. So as a seed company, can we develop any variety which prohibits the development of pink bollworm?

Vijay Kumar It is not like that. Pink bollworm this year came in many areas. So now farmers will be educated and next year they will definitely use pest controls and other things sufficiently to control pink bollworm. This is not only because of the hybrid, because of the other agricultural practices also. Apart from that, the agricultural production practices and process farmers have to improve and counter pink bollworm.

Shashank Kanodia So this cannot be solved by any hybrid?

Vijay Kumar It all depends upon the crops, short term-to-medium crops pink bollworm affect less.

Shashank Kanodia Monsanto BG3 technology solve this problem?

Vijay Kumar That is again government issue. We cannot comment on that. Central Government of India and Monsanto has to decide.

Shashank Kanodia Currently, are we undergoing any litigation in Monsanto India as in last year we already reversed the charges, so presently as we stand today, are we running any litigation with them?

Vijay Kumar Last year Last quarter we have settled and paid everything & accounted it . I think you will be aware that we have already clarified this two quarters before in concall.

Now as on date, Monsanto and we are, practicing business on a regular business, we are paying to them..

- Shashank Kanodia** So what about Nuziveedu, is it still under litigation or?
- Vijay Kumar** Yes under litigation.
- Shashank Kanodia** Lastly on tax rate, so we enjoy almost 0% tax rate. So any clarity or any thought that way of obtained from the Union Budget or any other tax officials on that?
- Vijay Kumar** Nothing mentioned about from the recent Union Budget about the tax rates to our industry as per our understanding.
- Shashank Kanodia** So we continue to enjoy 0% tax rate.
- Vijay Kumar** Yes.
- Moderator** Thank you. The next question is from the line of Omkar Kulkarni as an Individual Investor. Please go ahead.
- Omkar Kulkarni** How are you making the business derisk from the nature and environment?
- Vijay Kumar** To sustain against droughts and severe rainfalls/ erratic rainfalls, we have to launch the hybrids to meet the various soil, geographic and environmental conditions. Second is we expanded our business across India. We expand to all 15 to 16 major agricultural states, we have already expanded and developed our business network. So if one or two states are affected with drought also, we are able to grow. Third we want to export to various countries Like as I mentioned earlier, Bangladesh, Pakistan, Nepal, Zimbabwe, Malawia, Egypt, Myanmar, Vietnam, Indonesia and like that. Slowly, we want to grow in various countries this business and fourth is we also in the vegetable seed business. We are expecting a potential growth going forward in coming years. In this way, we want to derisk our business from severe droughts and heavy rainfalls.
- Omkar Kulkarni** And one question regards to our reserve, there are more than 1000 crore and it this year it will be 1150 to 1200 crore. So share capital is very less, how do you plan to use that reserves?
- Vijay Kumar** As I mentioned in April management will come back on distribution. Last year also, we clearly come out on distribution plan of the money. From current year profits ,We will keep some money for the CAPEX and any working capital gap requirements. The rest we want to distribute to the shareholders and we will come back to you on the distribution methodology and how much in May.
- Omkar Kulkarni** By the next conference call, it should be clear, right?
- Vijay Kumar** Hopefully Yes.
- Omkar Kulkarni** And the Q4 of last year, there were major write-downs, because of that PAT was significantly affected. What do you think about this Q4 like how much it can be?
- Vijay Kumar** Last year Q4, one is major write-offs, second is the Monsanto settlement was also impacted in the same quarter. This year, there is no Monsanto settlement. It is

already done and this year last quarter, there is no major write-offs will be there. Write-offs will be there, but no major write-offs as compared to last year.

- Omkar Kulkarni** It would be significantly less.
- Vijay Kumar** You are right.
- Moderator** Thank you. The next question is from the line of Abhijeet Akela from India Infoline. Please go ahead.
- Abhijeet Akela** On this illegal RRF seeds that were sold in a big way this season. What is your expectation for next year for these? Is there a crackdown by the government and therefore can leading companies like yourself capture market share from that segment?
- Vijay Kumar** We are hoping that last year almost around 3 to 4 million packets were sold and government has taken it very seriously and they have cracked down on many illegal and spurious seed selling companies, that occupied 8% to 9% of the last year's total Indian market. This year, we are expecting at least some reduction in this and we should be able to grow in that markets.
- Abhijeet Akela** So that 8%-9%, how much would you expect it to fall, any sense?
- Vijay Kumar** Our expectation is maybe 3%-4% will come down and that will give additional business to the branded.
- Abhijeet Akela** So 3%-4% points will be the reduction in that market?
- Vijay Kumar** It all depends upon the government action and farmers mood.
- Moderator** Thank you. The next question is from the line of Keyur Pandya from Prabhudas Lilladher. Please go ahead.
- Keyur Pandya** Just wanted to know, Gujarat is one of the largest producers of cotton and we have low market share. So who are the other players there who are leaders or it is not large consumer of hybrid or BT seeds. What is the scenario?
- Vijay Kumar** We agreed that our market share is less but we have launched suitable products very late in Gujarat and now we are growing very fast. Last 2 years, we have shown more than 40% growth and going forward, we are expecting that lot of potential to grow in Gujarat.
- Keyur Pandya** And who would be our peers or our competitors in that region?
- Vijay Kumar** Some companies doing well. Now our product acceptance is good and we will grow well.
- Keyur Pandya** Any name if you can give, who is the leader there the way we are in Maharashtra or Andhra Pradesh?
- Vijay Kumar** Ajeet Seeds is doing well in Gujarat.

Moderator Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for their closing comments. Thank you and over to you, sir.

Vijay Kumar Thank you. It has been a pleasure interacting with you over the call. We thank you for taking time out and engaging with us today. We value your continued interest and support. If you have any further questions or would like to know more about the company, kindly reach our Investor Relations Desk. Thank you.

Moderator Thank you very much. Ladies and gentlemen on behalf of Kaveri Seeds Company Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.

- ENDS -

This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy.