

26th June 2019

Bombay Stock Exchange Ltd.,
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Mumbai-400 001

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
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Scrip Code: 532899

Name of Scrip: KSCL

Dear Sir,

**Sub: Transcript - Kaveri Seed Q4 & FY 2019 Result Conference
Call on May 28th 2019 - reg.**

Please find attached herewith Transcript of Kaveri Seed Company Limited Q4 & FY 2019 Result Conference Call made on 28th May 2019. The Same was displayed at our company's website: www.kaveriseeds.in

This is for your kind information and records.

Thanking you,

Yours faithfully
For KAVERI SEED COMPANY LIMITED.



C. MITHUN CHAND
Whole Time Director

Encls: a/a.



Kaveri Seeds Company Limited

Q4 FY19 Results Conference Call

May 28, 2019

Moderator: Ladies and gentlemen, good day and welcome to the Kaveri Seed Company Limited Q4 & FY19 Results 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 the operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rishab Barar from CDR India. Thank you and over to you, sir!

Rishab Barar: Good day, everyone and thank you for joining us on the Kaveri Seed Company Limited’s Q4 and FY19 Conference Call. We are joined today by Mr. Mithun Chand – the Executive Director.

Before we get started, I would like to point out that certain statements made or discussed on the conference call today 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 for reference in the presentation.

We will begin the call with opening remarks from Mr. Mithun Chand who will share updates on the market environment and take you through the strategic imperatives of the company. He will also share his thoughts on the performance of the company during the review period. We will then have the forum open for an interactive question and answer session.

Now, I would like to invite Mr. Mithun Chand to share his views. Thank you and over to you, sir!

Mithun Chand: Thank you Rishab. Good day, everyone and a very warm welcome to all of you. The year in retrospect has been a tough one for the seed industry. We faced a delayed monsoon which led to a dry spell in majority of the areas. We were then



faced with the Pink Bollworm issue where cotton was concerned. As rainfall was delayed with variations, there was lower sowing area in most crop during the year. This has been the case particularly in maize which was impacted by both poor rainfall and Fall Army Worm in the Rabi. As a result of which sentiments were affected leading to reduced acreages and farmers downtrading. Commodity price of cotton and maize have, however, firmed up in second half of the year. Attractive prices for the fine rice have also given a boost to the Selection Rice market.

Commodity prices have remained lucrative for cotton despite lower yields due to Pink Bollworm. Hot pepper sowing improved during the year, the cotton market in north has been stable.

Where our cost wise performance is concerned, cotton volume decreased by about 11% in financial year 2019. Market share though was gained in Gujarat, Maharashtra and northern markets, contribution from new products went up from 17% to 20% in the financial year.

Money Maker was up and there were 2 new hybrids which were launched. Maize volumes decreased by 4%. There was scale up of new hybrid Drona with strong growth. 2 newer hybrids in maize were launched in Kharif. Bajra sales declined over the last year.

Non-cotton business has grown by 17% with volume as well as price growth. Hybrid rice volumes increased by 38%. Introduction of new hybrid 468 was greater than 200%. New product contribution went up from 29% to 36%. Selection rice volumes grew by 43% in the financial year 2019. Contribution from new products went up from 13% to 20%.

During the financial year we have launched a cob-drying facility in Molangur, Karimnagar in Telangana state. The plant is Asia's largest and first of its kind cob dryers. The capacity of the cob dryer facility is 1,456 metric tonnes per cycles, which is distributed across 13 bins. This will definitely help increase germination and vigour and also the shelf life of seeds thereby helping us to manage the inventory better.

In the current financial year, we proactively work to create awareness among the farming communities, to manage pink boll worm and Fall Army Worm in the second half.

During the year we have witnessed some instance of Pink Bollworm earlier. But anyhow the intensity was far less than previous year which was due to the thrust on farmer education. Instances of Fall Army Worm particular in the state of AP saw a decline in maize acreages in the second half.

New launches have been accepted well and have increased the cotton presence in northern India. We are now intensively focusing on R&D and also, we have world-class operations now further exhibit large scale refrigerated warehouses. It is important to note that the company has successfully implemented the ERP system, SAP which will lead to cost savings in the future.

In financial year 2019 revenue stood at Rs. 809 crore against Rs. 819 crore in financial year, a de-growth of 1.22%. In quarter 4 financial year 2019 revenue



stood at Rs. 44.7 crore as against 41.6% in financial year 4, 2018. In financial year 2019 EBITDA stood at Rs. 254 crore against Rs. 246 crore financial year 2018, translating to an EBITDA margin of 31.46%. In quarter 4 the financial year 2019 EBITDA stood at negative of Rs. 3.56 crore as against Rs. 11.9 crore in quarter 4 financial year 2018. In financial year 2019 PAT was at Rs. 217 crore. In quarter 4 financial year 2019 the PAT was at loss of Rs. 11.4 crore.

The balance sheet continues to remain strong. Total cash on books stood at Rs. Rs. 463 crore as on March 31st 2019 where it was Rs. 389 crore on 31st December 2018 and Rs. 580 crore as on 31st March 2018. We are happy with our performance to the last quarter and full year. High commodity prices across the board is translating to increase in acreage. We are confident of delivering a strong growth in, first of financial year 2020 subject to a normal monsoon.

New launches in cotton stood result to improved market shares in northern India and as acreage expand the prices are coming up hybrid rice outlook is positive due to introduction of new products. Maize also see the healthy growth and grown our profits KMH 3712, KMH 463 and KMH 3089. New hybrids across hot pepper, okra, tomato, sweet corn and gourds combined with strong R&D focus expected to translate to continue its strong performance.

Our financials are strong and balance sheet numbers robust. We continue to accumulate cash with the intention of returning it back to our shareholders. We are well poised for a good growth trajectory in financial year 2020.

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 the question and answer session, thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Aniruddha Joshi from ICICI Securities. Please go ahead.

Aniruddha Joshi: Two things, one, how has the growth been in the north Indian markets and second can you indicate what is the growth in vegetables seeds on a Y-o-Y basis for the full year and for the quarter as well.

Mithun Chand: Yes, to answer the first question we have increased, this is the first year where we are launched, I mean the financial year 2019 was the first year where we have launched hybrids in cotton in the northern market. Northern market is close to in between 16 lakh to 18 lakh segment where we do not sell anything in that. So, we are launched new hybrids in those markets and the performance is accepted there I think we will have a decent start this year in Punjab, Haryana segment and Rajasthan. But where as in Gujarat we have increased our market share there and we might be number one in Gujarat last year and still going forward we can to increase our market shares in Gujarat this year as well. And regarding the vegetable sale last year we have done of for this whole year we have done a sale of Rs. 10 crore wherein for this year we have done around close to Rs. 14.5 crore, a growth of close to 40 odd percent.



Aniruddha Joshi: So, in this year we have not yet declared dividends, so you would like to highlight anything on that or we would be focusing more on the buyback as the policy to return the cash to shareholders?

Mithun Chand: Yes, usually if you see last year, I mean the current year, financial year 2019 we have declared the dividend in the month of August in the first quarter result if I am not wrong. We tend to give besides our intention is to distribute shareholder it will be a combination of buyback and dividend. Majority of the portion will be distributed through the buyback.

Moderator: Thank you. The next question is from the line of Nandan Vartak from Wealth Managers India. Please go ahead.

Nandan Vartak: So, my first question is on inventory write-offs. So, what has been inventory write-off for FY2019 and what was in for FY2018?

Mithun Chand: The inventory write-offs sir more or less same even in this year compared to previous year. Last year it was close to Rs. 19 odd crore even this year this been Rs. 16 crore and Rs. 17 crore, more or less in line.

Nandan Vartak: And in Northern market which seed are we actually selling, so it is more cotton or which crop seed we are focusing on right now?

Mithun Chand: Right now if you see northern India major crops are cotton and Bajra and you see become with rice apart of eastern part. These are the 3 main crops we are focusing on and these 3 will continue to be more focus. Yes no doubt maize is also increase in those areas but are presence is very low in those areas. We are just increasing our presence of maize in those areas. It might take other 2 or 3 years to get a good impact of, I mean as a good market shares Maize in those parts.

Nandan Vartak: And the last one, the market share in cotton maize and hybrid rice that is not mention in presentation. So, can you help me with that?

Mithun Chand: Market shares of cotton across India, you mean to say?

Nandan Vartak: Yes for FY2019, full year.

Mithun Chand: We might be around in 15% in market share in cotton across India and in rice, hybrid rice we have close to 8% now.

Nandan Vartak: So, there is rice and hybrid rice marketed?

Mithun Chand: Rice and hybrid rice.

Nandan Vartak: about Maize?

Mithun Chand: Maize we have close to 10% to 11%.

Moderator: Thank you. The next question is from the line of Basant Patil from Mentor Capital. Please go ahead.



Basant Patil: Sir, can you comment anything on the guidance, so what kind of volumes you are targeting for FY20? So, coming to the monsoon sir, even department has indicated below average monsoons this year. So, how do you foresee, what kind of strategies you are adopting to rest the volumes and all what kind of, so just wanted to highlight on this part, sir.

Mithun Chand: Basically, coming back to the first question regarding the growth, we think we are giving guidance of 15% to 20% growth across the company and 10% to 15% growth in cotton and 20 plus percent growth in non-cotton crops. If you see there is a mixed opinion about the monsoon saying that it will be normal or might be a bit deficit to normal monsoon. But as we seen over the years India is a vast country with the different climatic conditions. So, we cannot average this out. But yes, no doubt initial monsoon and normal monsoon helps the company but as a case where we operate most of the crops fluctuate between cotton and maize. So, we need to see based on the monsoon there will be 5% shift towards the anticipated estimates.

Basant Patil: Sir, coming to the cotton particularly, so even FY19 actually we had, we were de-grown actually. So, what confidence gives us means giving such a strong growth. So, are you tapping to any new geographies?

Mithun Chand: One we are increasing our market shares in Maharashtra, north and Gujarat. We will have some amount of sale in northern India as well because it will be a minimal say around a 50,000 lakh packets will come in the areas where we were not present last year. But the new hybrid the Money Maker is actually gaining market shares where we see growth in those markets and by seeing the commodity prices, we even see that the cotton acreages is slightly up. Combination of these 2 we are fairly confident that we make go in between 10% to 15% in cotton.

Basant Patil: Sir, can you share how many million packets have been procured and disbursed at current level to the dealers? Can you share that data with us.

Mithun Chand: It is difficult to share as of now because any how if you talk about the inventory we are close to 9 million packets of inventory. So, it still we are process of placing the stock, it will take other one week kind of to place the stuff.

Basant Patil: So, current year, production is around 9 million packets.

Mithun Chand: Total availability for the figure is close to 9.

Basant Patil: Sir, I am coming to the hybrid rice what is the market size actually particularly in India?

Mithun Chand: The market size just close to in between 40,000 tonnes to 45,000 tonnes.

Basant Patil: 40,000 tonnes to 45,000 tonnes. It seems to be a quite big market actually, so there is no competition threads even couple of seed manufactures are entering aggressively in the hybrid rice segment.

Mithun Chand: No, it is a routine process, there are more than 500 companies exist in India in seed. But as a company more focusing on rice and we are able to show the



difference between the current hybrids that is the reason we are getting the market shares. If you see last year in hybrid rice we are grown by close by 35% even there were market is de-grown by close to 2% to 5%. So, that itself shows the strength of the product and we further see a good growth in rice segment this year, especially hybrid rice.

Basant Patil: Just one last question, sir. So, coming to the cash whatever we have. So, any expectation from the board, any reward can be expected to shareholders, going ahead?

Mithun Chand: In that we are already doing for the last 3 years, in the last 3 years we have done a buyback and we are given dividend if you see the combination of these 2 we are distributed close to Rs. 450 crore of cash in last 3 years to shareholders. And I think we may continue going forward as we do not see any further requirement of the free cash generated.

Basant Patil: So, there is no significant CAPEX going ahead even in R&D spent all, what kind of R&D expenditure can we expect, sir for next 2 to 3 years?

Mithun Chand: It will be not significant in terms of the overall cash generation because it is basically the man power and the infrastructure. Infrastructure does not require lot of CAPEX here. Yes, you require CAPEX for the machinery but we are already done with most of the things. That is the reason we said that Rs. 30 crore to Rs. 40 crore year-on-year at a combination of all towards CAPEX is more than sufficient for the company to grow.

Basant Patil: So, we are entering in vegetables also aggressively. So, this year we have Rs. 14 crore, so that is the vegetable revenues.

Mithun Chand: 40% more than last year.

Basant Patil: So, we can expect same kind of growth at least aggressive growth from this segment?

Mithun Chand: Yes, we are focusing a lot on vegetable growth as the base is small, we can expect a high growth rate in vegetable but for the crop as a segment we are focusing a lot and I think vegetables should contribute meaningful size in next 3 to 5 years.

Moderator: Thank you. The next question is from the line of Chetan Thakkar from ASK Investments. Please go ahead.

Chetan Thakkar: Sir, just wanted to understand what is the advances that we have received for the ensuing season compared to FY19, the absolute number and also guidance on cost per packet for cotton for the coming season.

Mithun Chand: Yes, in terms of the advances it was in line with last year, it is slightly, last year was close to Rs. 240 odd crore. I think this year we have got slightly more than that about Rs. 250 odd crore compared to previous years slightly better than last year. In terms of the cost of packet cotton pack the freshly produced seed of this year we see a decrease of close to Rs. 20 odd compared to previous year.



Chetan Thakkar: And plus we will have the benefit of Rs. 10 price increase as well?

Mithun Chand: Yes, that we need to see but how well can we maintain in that we need it see. Yes, as of now it looks like we will be benefited by Rs. 9 more a packet but we need to see what will be the actual realization.

Chetan Thakkar: So, 20 is at least what we have internally done, so that will be retained?

Mithun Chand: Yes.

Moderator: Thank you. The next question is from the line of Omkar Kulkarni, an individual investor. Please go ahead.

Omkar Kulkarni: You have mentioned that 15% to 20% growth you will be able to do. So, what kind of EBITDA margin do you think you can achieve?

Mithun Chand: . I mean this is PBT stood at 29% the entire year. We can have slightly better margin compared to this year might be as of 100 basis points more than this 100 to 200 basis points.

Omkar Kulkarni: So, around 30%-31% margin you can say that?

Mithun Chand: Yes, I am talking about the PBT.

Omkar Kulkarni: Sir mentioned about the cash generation, free cash flow generation there was some news about and even company stated that they were looking for some inorganic opportunities to use that cash so, what is the status on that?

Mithun Chand: As I said earlier in the, earlier con-calls that we are open to it but we have not aggressively pursuing it as this year lot of scope growing organically year itself. Yes, we are not denying the fact that if something interesting terms in terms of this proper germplasm where we are not present then we may look into it. But as of now we are not found any opportunity.

Omkar Kulkarni: No, you are stating that organically we are trying to grow but last 2-3 years there has not been any growth in fact there has been a de-growth?

Mithun Chand: No, in fact if you see even though the results look like de-growth we have grown more than 17% on cotton and if you see year-on-year sales we are only down by say around Rs. 10 odd crore. But if you see the cotton prices were reduced by 10% last year say around Rs. 60 from Rs. 800 to Rs. 740 even that impact we need to take it. So, overall yes, there was last 2 to 3 years were tough years but this time this prices have been declared it is not much reduced to impact our profitability and we are growing as a whole both in cotton and non-cotton segments. So, we see a good growth this year.

Omkar Kulkarni: So, in fact last year the acreages have also come down. So, this year what trend you are expecting there?

Mithun Chand: Yes, see as I stated earlier as the commodity prices are good both for cotton, maize and in fact all commodity prices are good. So, I will see with a normal

monsoon, I mean to say initial timely arrival of monsoon will definitely help to an increase in the acreages over the last year.

Omkar Kulkarni: Can you quantify the growth in terms of percentage?

Mithun Chand: 15% to 20% growth as overall as a company.

Omkar Kulkarni: That you are talking about revenue, right?

Mithun Chand: Yes, slightly better margins in terms of the bottomline.

Moderator: Thank you. The next question is from the line of Rohit Nagraj from Sunidhi Securities. Please go ahead.

Rohit Nagraj: Sir, what was the contribution from Varietal brand for FY19 I think it was Rs 43 crore in FY18.

Mithun Chand: FY18 it was Rs. 42.5 crore close to Rs. 43 crore what you said is right. This year nearly Rs. 64.5 crore.

Rohit Nagraj: And sir, any indication on the, how the exports have performed during this year what has been the contribution from exports and what is your current status in terms of expanding the geographies, any update on that front?

Mithun Chand: Exports remain slightly lower than last year. Slightly lower last year it was Rs. 16 crore this year, it is slightly in line with that Rs. 14 crore to 15 crore. But going forward as we have given seeds to different countries it will take couple of years to growing those segments but we slow, we have started we have initiated the process there. So, with the next 3 to 5 years we can say growth in those segments.

Rohit Nagraj: But we do not see any major growth coming from, I mean at least in FY20 from the exports business?

Mithun Chand: Yes, it will be much better than this year. I think at least 20% to 25% growth in terms of only export year-on-year will be there for next year. But to make a good contribution to the total revenue it may take 3 to 5 years.

Rohit Nagraj: The license issue in Andhra Pradesh, the suspension of license.

Mithun Chand: That is already reinstated long time.

Rohit Nagraj: So, it has been complete out of the picture now?

Mithun Chand: Yes.

Rohit Nagraj: Number of retailers?

Mithun Chand: So, we directly and indirectly this has been more than 35,000 retailers.

Rohit Nagraj: And any significant addition which is happened during last year, FY19?



Mithun Chand: So, we are present across India, we have added couple of states but yes, I do not see much significant growth. We are already there in the major parts.

Moderator: Thank you. The next question is from the line of Abhijit Akella from India Infoline. Please go ahead.

Abhijit Akella: Just to check if it might be possible to provide us the state-wise breakdown of the cotton sales for FY19?

Mithun Chand: As of now I do not have the state wise sales but I do not think we will be able to give the state wise sales as some confidential information which we were not willing to give. We used to give it earlier but I do not think we will continue it give that state wise.

Abhijit Akella: And in terms of growth for FY20 are we looking to grow mainly in the non-core markets like Maharashtra, Gujarat and north or if there also growth possible in AP, Telangana also?

Mithun Chand: So, actually in our internal thing I do not think we are not seeing any growth in Andhra in fact conservatively we are saying that we may de-grow a lakh or 2 lakh packets in Andhra compare to previous year. But we will grow in Maharashtra, MP and Gujarat and even Karnataka. The only combined AP this year there is a slightly, we see a slightly pressure on the market shares. Otherwise all other states will be growing. So, by considering this trend, that is the reason we say we will grow at least 10% to 15% across the states.

Abhijit Akella: And lastly just wanted to check if you could just comment a bit on the working capital movement, we have seen some significant increase in inventory as well as an increase in, I think payables and other current liability. So, if you just talk a little bit about those movements?

Mithun Chand: See, if you compared to previous year to this year the inventories are also higher as you rightly said we are targeting more sales next year that is the reason the inventories are higher and the payables are higher. Actually, the inventory which is there on 31st March will translate into sales of the next year. So, as we take the 31st March most of the inventory we have produced more as I said compared to last year, we have 9 million packets of cotton which itself is more than the 25% compared to previous year. All other inventories are also at higher levels.

Moderator: Thank you. The next question is from the line of Aniruddha Joshi from ICICI Securities. Please go ahead.

Aniruddha Joshi: Sir, I just missed the market share numbers that you said for cotton, maize, Bajra and rice. Can you please indicate again?

Mithun Chand: So, for maize we sell in between 10% to 11%, cotton between 15% to 16% and rice around 8%.

Aniruddha Joshi: So, last time as you had indicated it to be around 4%, so is there a material jump?

Mithun Chand: So, I think it was 5% to 6% this time it should be around 8%.



- Aniruddha Joshi:** And for bajra?
- Mithun Chand:** Bajra, we are close to 10%-odd.
- Moderator:** Thank you. The next question is from the line of Siddhartha Bhattacharya from Anvil Wealth Management. Please go ahead.
- S. Bhattacharya:** I am Siddhartha Bhattacharya from Anvil Wealth. Sir, I just wanted to understand this Fall Army Worm issue. Just how big challenge is this going to be for the farmers because I believe in Sri Lanka and other neighboring states it has been a big problem. So, just wanted to know your views on this?
- Mithun Chand:** I do agree with it. If you see last year, we have seen instance of Fall Army Worm in the early stages of the maize crop which has impacted maize acreages also. But the farmers who are sown have spent some money and were able to control it. The expense has gone up in controlling it and it is a very different type of pests you need to consistently monitor it. But the good part is that we have not seen many instances of the second half of the crop, it is only in the initial stages. And compared to last year Rabi and this year season in maize has grown up by more than 40%. In the last it is almost Rs. 21-Rs. 22 a kg now. It was around Rs. 14 to Rs. 16 a kg in start of the year. So, with these attractive prices, farmer can spend more and even earn more. So, that is the positive point of it. Anyhow, we need to check for the first half that is the reason we say that that is what we need to watch out.
- S. Bhattacharya:** And any incidences where it is also getting to cotton crops because globally there have been issues with this pest coming on to other crops as well?
- Mithun Chand:** Yes, what you said is to some extent right but even in many parts of Africa or some parts of American, South American countries we have seen the Fall Army Worm and immediately the next season we have not season so many instances. So, it is not a, I mean to say it is not like a worm which will consistently will be there. That is where we need to check out and we have not seen any instances of FAW on cotton this year, again will see this next year.
- Moderator:** Thank you. The next question is from the line of Omkar Kulkarni, an individual investor. Please go ahead.
- Omkar Kulkarni:** My question was, there was a period before 2015 where you grow very rapidly. So, what was the reasons behind that and now what has changed so dramatically that you are hardly able to grow and what will change that?
- Mithun Chand:** Basically, if you see when compares from 2008 to 2016, we started with 1% less than a half a percent market share in cotton to close to 17% market share in cotton and cotton contributes to a bigger portion of the entire feed value. After 2014, the cotton acreages were down and our margins were slightly declining. So, even in that scenario if it is in another way we were able to grow in other non-cotton crops even though the cotton crops are declining and that is the reason you see the same number of sales, same amount of sale compared to those 3 years of 2014-2015 which was seen. And if you see the contribution of cotton at that particular time was close to 70 odd percent. Now the contribution for cotton is only 50% or 52% for this year.



Omkar Kulkarni: So, where you see the next big opportunity for the company?

Mithun Chand: One cotton for sure because as we have stand only at 15% market share and we are not operating in Northern India which contributes close to 15% to 18% of the total market share. We are zero in those segments. So, we are launch some hybrids there, so we are increasing our market share sales and across the central and western part we have increased our market shares. Yes, only thing is that we are de-grown in Andhra which have contributed to more than 60% sales of those 2015 level. So, we had de-grown there and now we are trying to rebuild the same market shares, not same but definitely better market shares than what we have today by introduction of new hybrids that we take as a couple of years to get the market, decent market share in Andhra. I mean to say decent in the sense compared to the previous peaks. As of now if you take in Andhra, we close to still or more than 15% market share in Andhra but not to the levels as what we had earlier. So, basically, we are very confident the products what we are launched and what we are in the pipeline will definitely give a good increase in market shares even in these parts. Anyway, in the non-cotton crops if you see we are growing even in the tough conditions like maize we were able to grow in terms of the value and even in rice given the market has de-grown by 2% to 4% we have grown by more than 35%. That itself shows the strength of our product and this gives us confidence that we can grow much better than the industry.

Omkar Kulkarni: You mean, it will still be in the cotton which will drive your revenue and profits?

Mithun Chand: No, what I said that cotton to extent will drive, cotton will grow at 10% to 15% and the non-cotton will grow at in between 20% to 25%.

Omkar Kulkarni: But the percentage of that like contribution to the overall revenue from that is still small, right?

Mithun Chand: No, But we said that the contribution as of now from cotton is 52%, non-cotton is 48%. We are targeting in the next 3 years where in the non-cotton crops should contribute to 60% and cotton to contribute 40%.

Omkar Kulkarni: That means, you will be able to grow much a more higher in non-cotton?

Mithun Chand: Yes, right.

Omkar Kulkarni: And apart from cotton is there any particular like where you can gain substantial market share in coming years?

Mithun Chand: Rice, maize, pearl millet, and vegetables. These 4 looks good.

Omkar Kulkarni: So, what are the market shares or share here currently in the mentioned crop?

Mithun Chand: Already mentioned it earlier but again I will mention it right now again. In cotton we have 15% market share, in rice 8% market share, in bajra 10% market share, in maize 10% to 11% market share.

Omkar Kulkarni: So, from that is almost double, seeing a double-digit number. So, from here also come here on you also believe that you can gain significant market share?



Mithun Chand: Yes.

Moderator: Thank you. The next question is from the line of Nandan Vartak from Wealth Managers India. Please go ahead.

Nandan Vartak: So, my question is about Northern market. So, how is the competitive scenario there? So, while introduce in non-cotton crops specifically how has been your experience till now?

Mithun Chand: Yes, the competition is always tough and we are competing with the competitors for last 30 years. For us the competition is not new but the only thing is that we need to have right products in Northern India which we are not able to do earlier. But right now, in the last years we have focused R&D on Northern India segments and if you see we are now we have increased satellites stations, I mean, so dedicated satellite research stations in Northern India to compete to capture those markets. So, compared to those effects we are able to get products which are which may perform well in Northern India and which has been giving you said in better than this competition in some parts. So, that gives us the confidence to grow or to increase our market shares in Northern India. That is what happens in rice. If you see rice, we have grown by more than 35% in hybrid rice and still we had a very much confident that will grow much better in rice. In the recent efforts, yes bajra was dull last year and the acreages were also down. But going forward in next 2 years we are trailing new, some products in bajra which will also give a good market shares in the coming years especially in Rajasthan and UP. And where have been in cotton we have launched some product of cotton for the Northern India market especially for Punjab and Haryana. We had sold a small quantity last year but we are in terms of the quantity this year it will be going to be 6x more than last year's quantity. But being a small-base it looks, it does not impact much on the sales side. But going forward, even in Punjab and Haryana does 60 lakh to 80 lakh market where we are zero as of now. We think that we can take a good decent market share there, the current performance of the hybrids in the next 2 to 3 years.

Nandan Vartak: And the satellite stations you have mentioning is that contracted manufacturers like growers and like that the operating?

Mithun Chand: It is not about growing it is about doing research because if you want to do, if you want to give a product for those parts, we used to just file it earlier but because we are much focused on Northern India now, we are focusing, we are setting up a research stations where the crop is grown at large. So, to gain the actual experience of it. That is how we have like, many research stations in the last 3 years. In fact, it is close to more than 100 research stations we are opened in the last 3 years across India and we are still continuing to doing it.

Nandan Vartak: Current number of growers?

Mithun Chand: In terms of the growers last year we have done farming which close to 65,000 farmers.

Nandan Vartak: And what would be area under, area in acres?

Mithun Chand: It should be close to 50,000 tons.



Moderator: Thank you. As there are no further questions, I now hand the conference over to the management for their closing comments.

Mithun Chand: 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. Ladies and gentlemen, on behalf of Kaveri Seeds Company Limited that concludes today's conference. Thank you for joining us and you may now disconnect your lines. Thank you.

