

23<sup>rd</sup> May 2025

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**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5<sup>th</sup> Floor,  
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Dear Sir/ Madam,

**Sub: Transcript - Kaveri Seed Q4 & FY 2024-25 Results Conference Call on  
Tuesday, 20<sup>th</sup> May, 2025 - Reg.,**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached herewith Transcript of Kaveri Seed Company Limited Q4 & FY 2024-25 Results Conference Call made on Tuesday, 20<sup>th</sup> May, 2025.

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

<https://www.kaveriseeds.in/wp-content/uploads/2025/05/Transcript-1.pdf>

This is for your information and records.

Thanking you,

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

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

Encl: a/a.





**“Kaveri Seed Company Limited  
Q4 & FY '25 Earnings Conference Call”**

**May 20, 2025**



**MANAGEMENT: MR. MITHUN CHAND – EXECUTIVE DIRECTOR –  
KAVERI SEED COMPANY LIMITED**

**MODERATOR: MR. RAMA NAIDU – INTELLECT PR**

**Moderator:**

Ladies and gentlemen, good day, and welcome to Kaveri Seed Company's Q4 and FY '25 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 at the end of today's presentation. Please note that this conference call will be recorded.

Joining us today on this call is Mr. Mithun Chand, Executive Director. Before we begin, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risk and uncertainties. For a list of such consideration, please refer to the earnings presentation.

I would now like to hand the call over to Mr. Mithun Chand. Over to you, sir.

**Mithun Chand:**

Thank you. Good evening, and welcome, everyone, to our quarter 4 financial year '25 Earnings Conference Call. We hope you had a chance to review the presentation of our results, which is also available on our website. I would touch upon the operational financial performance of the company and then open the floor for the question-and-answer session.

Financial year Q4FY25 financial highlights. Revenue from operations was at RS. 76.95 crores as compared to Rs. 80.54 crores in Q4FY24. EBITDA was at negative Rs. 15.31 crores as compared to negative Rs. 10.72 crores in Q4FY24. Net profit was at negative RS. 30 crores as compared to RS. 2.79 crores in Q4FY24.

Revenue from operations was at Rs. 1121.57 crores in FY25 as compared to RS. 1062.43 crores in FY24, grown by 5.57%. EBITDA was at RS. 274.29 crores in FY25 as compared to RS. 270.43 crores in FY24, grown by 1.43%. Net profit was at RS. 265.21 crores in FY25 as compared to RS. 293 crores in FY24. Cash on book stands at RS. 556 crores in FY25 as against RS. 443 crores in FY24.

Major highlights, witnessed good growth rates across all our non-cotton segments like hybrid rice, selection rice, maize and vegetables. Volume growth across segments, like Bajra, hybrid rice, selection rice, maize and vegetables has resulted in proportionate higher realizations, which is a very encouraging trend.

PAT for the current year is down on account of a one-time entry of interest of RS. 8.85 crores on the loan given by the company to the employee trust and increase in employee cost of RS. 4.95 crores on account of increase in valuation of ESOPs given for employees and increase in depreciation of RS. 5.68 crores due to recent addition of a new office.

Revenue during Q4FY25 was slightly down because of no one-time exports to Government of Tanzania worth RS. 24 crores in financial year '25 -- FY24. Acquired remaining 30% stake in distribution company, Aditya Agritech Private Limited for RS. 23.60 crores to increase company's stake to 100%.

Some of the operational highlights. The contribution on new products to volumes of Bajra was up from 64% to 74%. Hybrid rice volumes increased by 13% and revenues increased by 26%. Selection rice volumes increased by 22% and revenues increased by 39%. Maize volumes increased by 7% and revenues increased by 22%.

Vegetable seed volumes increased by 3%, whereas revenues increased by 8%. Export sales stands at RS. 22 crores in financial year '25 as compared to RS. 66 crores in FY24. This decline is due to political unrest in Bangladesh, and there was no one-time order from government of Tanzania. Volumes of non-cotton hybrids increased by 24% and revenues by 22%. Volumes of cotton hybrid decreased by 35% and revenues decreased by 27%.

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

- Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Agastya Dave from CAO Capital.
- Agastya Dave:** Sir, congratulations. Sir, how are you seeing the upcoming season? The buildup on the balance sheet indicates that you guys are preparing for a fairly robust season. But I would like to understand your point of view, what are you seeing in the market? And how do you see the season panning out?
- Mithun Chand:** The season looks good for the coming year, even the prediction for the monsoon is good. We might get monsoon on time. The acreages at the present looks more or less stable. There is a little pressure on cotton acreages, but we see a very encouraging trend for maize coming up. And dry segments, it will be slightly sideways, but it should be stable.
- In terms of our plans, we have built up inventory for couple of reasons. One, we anticipate a good season. Second thing, as we were almost empty with the entire inventory, and it was really tough in terms to produce more in these tough times. So where the strategy wanted to maintain a buffer inventory, that's one of the reason why we built up the inventory.
- Moderator:** The next question is from the line of Saania Jain from Care PMS.
- Saania Jain:** So, just two question. What is the expectations of our cotton portfolio in quarter 1? And since our non-cotton portfolio has done very well in FY '25, what do we expect in FY '26 considering the high base?
- Mithun Chand:** Regarding cotton, last year we were down by close to 30% in terms of the volumes. And with the low base, we are pretty confident that we will grow in cotton this year, even though the acreages may not grow, but as a company as a level, we'll grow with this base. And we are launching couple of new hybrids, which we have tested last time.

Those hybrids are also doing well. So as a cotton as a portfolio going forward looks very encouraging. And the other hand, non-cotton segment, we have already witnessed a good growth this year. Going forward, even with this high base, we can easily improve with the 12% to 15% growth in this non-cotton segment also.

**Saania Jain:** Okay. Got it. And what is the plan for the cash generated from operations?

**Mithun Chand:** As of now, we don't have much plans. We need to discuss and then come back once we have a concrete plan. As of now, we'll keep cash with us. This time, we have seen because we have built up the inventory, most of the cash is getting deployed there. Once we have the real cash, then we'll have a strategy and we'll let you know.

**Moderator:** We'll take our next question from the line of Dhruv Saraf from Bowhead India Fund.

**Dhruv Saraf:** Just wanted to know about the cotton price hike the government has announced a 4% price hike this year. So is that commensurate with the cost increases that you've seen in the production of cotton? Or how do you see this situation?

**Mithun Chand:** Yes. This time, we have seen a huge increase in the cost of production. The government has increased only by 4%, but there's a lot of pressure in terms of the cost of production, not only in cotton, but all other crops, we have seen a sharp rise in the production cost. And whereas in the other crops, we might be able to pass it on to the farmer.

But in cotton, even though the prices have increased by 4%, it will be really difficult for us to pass it on because there's a lot of inventory in the system. We might be able to realize good figure in terms of the new hybrids, but in the old hybrid, it may be a little bit difficult. But we are trying to push the realization so that we can pass some cost to the farmer. But only in the season we get to know.

- Dhruv Saraf:** Sir, follow-up question, if you may allow. What was your R&D spend as a percentage of sales this year? And how is it likely to be in 2026? And second one...
- Mithun Chand:** Overall, growth, yes, sorry. Go ahead, sorry.
- Dhruv Saraf:** And sir, second question was that you mentioned that inventory has gone up because we're keeping some buffer. I could not really exactly hear why this buffer. And is this structural like you would want to keep going forward higher inventory as a buffer because you had the experience last year of non-availability of seed standing. So is that one should assume that inventory now, generally speaking, will be higher than what it used to be in the past as a percentage of revenues?
- Mithun Chand:** Sorry. What was the last one?
- Dhruv Saraf:** Should we expect that inventory going forward like this year should on a structural basis, not like one-off basis, should be higher as compared to it used to be in the past as a percentage of sales, as a percentage of cost of production because you want to keep some buffer?
- Mithun Chand:** In terms of the R&D cost, the recurring expenditure was close to 6.5%. And if you add the fixed expenses altogether, it was in between 8% to 9% of our total sales. And in terms of the inventory, we have the intention to strategically build up the inventory.
- We will have some sort of a buffer stock as in some markets as the production comes in very late in the first quarter or the last half of the last quarter of the financial year. So we are not missing on some markets.
- So we want to build-up those inventory levels. And going forward, there may not be a sudden increase than what we have seen this year may not be there going forward, but the inventory levels will be slightly usually higher than the previous years.

- Moderator:** The next question is from the line of Aabhas Verma from East Green Advisors.
- Aabhas Verma:** Yes. Sir, I had a question regarding your revenue growth guidance of 10% to 12% for the next 2 years that you had given earlier. So in one of your earlier con calls, you had mentioned that the cotton portfolio is expected to grow at around 15%, 20% and the non-cotton portfolio at around 15%, plus, negative 2% thing. So given that, could you please help me reconcile how this translates into a lower consolidated growth guidance of 10% to 12%? So am I missing something there? Or if you can.
- Mithun Chand:** We were a bit conservative in giving the guidance, but by seeing the portfolio, it should be plus 15% non-cotton segment with a big base, 15% plus or negative 2%, that will continue. And cotton with a small base will grow this year. But when I gave guidance of like 10% to 12% it is for the next 3 to 5 years, not for the year.
- Aabhas Verma:** So do you still maintain that 10% to 12% or we can expect something higher than that also? Like is it conservative?
- Mithun Chand:** That's the minimum what we see. It should be better than that.
- Aabhas Verma:** Okay. And just one more question. So when you are getting this 10% to 12%, does that include the export guidance of RS. 160 crores as well? Or like have you factored in ahead of them?
- Mithun Chand:** Export like, export variance of...
- Aabhas Verma:** I mean export guidance in your earlier con calls, you had given around RS. 160 crores something.
- Mithun Chand:** No, what I meant is that in the earlier call, I gave a guidance that in the next 5 years, the export market can be RS. 150 crores. And even the same time, I've given the guidance of vegetables to be close to RS. 150 crores.

- Aabhas Verma:** All right. So 10%, 12% is including everything you have factored in everything into that, right?
- Mithun Chand:** Yes.
- Moderator:** The next question is from the line of Krushi Parekh from BugleRock PMS.
- Krushi Parekh:** Yes, hi. Krushi Parekh from BugleRock PMS. I just want to understand -- so we have this 40% jump in the inventory, and I understand there is buffer also. So one thing is that, what proportion of this can be construed as buffer? And what is something that we would expect to be sold in this financial year itself? And also, can you give us some understanding on the mix in terms of cotton, non-cotton in the overall inventory, new products, old products, something like that?
- Mithun Chand:** So we have increased the inventory across all crops. It's not specific to one crop. We have increased the inventory in cotton and non-cotton segments also. There will be close to 20% to 25% of the inventory as buffer stock across all crops, leaving some varieties.
- We have produced some varieties, I mean, moving hybrids, which are in large segment, we have produced more because we can always use it for the next year, wherein the discounts will be very low. In those crops, we have increased our inventories significantly high. And in terms of the cotton also, the inventory is like last year, it was very minimal. Now this time, it will be like close to 6 million to 7 million packets.
- Krushi Parekh:** Okay. So, Mithun, sir, if you can just give some understanding on, what is the proportion of the new products that we have in the market now? And how are we approaching it against the competition? Because I believe last quarter, you had mentioned that we don't have the products in terms of the yields and everything are pretty much similar to the competition also. But then how are we approaching to grow our

products versus that of competition? And how are we looking to take on the competition this year?

**Mithun Chand:** It will be a bit difficult to explain about each market and each product we are doing, but I can give you a guidance for like in the next 3 to 5 years, more than 50% of the revenue will be contributed by the new products, new products in the sense, which are already placed in the market, which are already launched in the market for the last 1 or 2 years and also the newly to be launched products. These will contribute to more than 50% of our revenue.

**Krusha Parekh:** Okay. But any sense in terms of -- because how are our products differentiated versus that of competition that we'll be expecting the pick-up in the market and grab some market share?

**Mithun Chand:** So there are so many variants to do that. Basically, at the end of the day, it all boils down to yield, but how you would arrive to yield is a different way. One is by like stress condition, the hybrid need to perform, one like low pest, low diseases. So different crop maturity date. So different crops have got different parameters to look on.

So when we see a competitor in hybrid or when we want to increase the market share in hybrid, we see that in the given particular condition how much does our hybrid need to do give better yield than the existing one along with making sure that the maintenance should be low. These are the 2 factors what we see.

**Krusha Parekh:** Okay. And then we go on to educating the farmers about our differentiation?

**Mithun Chand:** Yes, definitely. See, when we launch a hybrid, it should be tested in the farmers' field only. That's how we also create a programme for building awareness among farmers and show the difference between our hybrid and the competitor hybrid. That's how we increase the awareness and we create demand for that.

- Krushik Parekh:** Okay. So typically, this would be 1 to 2-year cycle and then third year...
- Mithun Chand:** Yes, initially, once you launch the hybrid -- once you launch the hybrid based on the base, it will take 1 to 3 years because we need to market in different areas. So as 2 to 3 years is the right time where you get the good visibility. First year will be very small.
- Krushik Parekh:** Okay. And sorry, if I may just continue on this question, what proportion of our current products is something that is field tested and new in the given year?
- Mithun Chand:** Sorry, what is field...
- Krushik Parekh:** What proportion of our inventory currently is new and is already tested over last 1 to 2 years across geographies?
- Mithun Chand:** Close to more than 95% of the inventory is the products which are moving hybrids, because when we launch a hybrid the quantity will be very minimum. Once we see the performance, then only will we increase the inventory. So that's what I said in the earlier call in the earlier way, that the inventory what we have now, majority of the inventory is from the moving hybrids, which are already approved in the market.
- Moderator:** The next question is from the line of Yashovardhan from Tiger Assets.
- Yashovardhan:** Sir, wanted to understand, what is the gross margin sustainability going ahead?
- Mithun Chand:** The margins should sustain. The margins this year was close to 46% to 47%. That should remain same in like 1% to 2% plus or minus because of this year, we have high inventory cost. And in cotton, we may not pass on. This year might be slightly stressed.
- But going forward, there are pretty high chances that the gross margin should go further up as we will be increasing in vegetables and other

crops. Bajra, which we already have high gross margins. Again, it should go up. This year, slightly we need to check only because of cotton.

**Yashovardhan:** Understood, sir. And sir, so on the inventory front, how much are we expecting to be utilized in Q1?

**Mithun Chand:** Basically, if you see the trend like 70% of our revenue comes in the first quarter, right? It's easy to take like first quarter and second quarter because there might be some spillover sales based on the monsoon or aware of the monsoon. So first half contributes like 70% to 80% of our revenue. That will continue going forward.

**Yashovardhan:** So first half in H1, right?

**Mithun Chand:** Yes, H1. And even in H1, the Q1 contributes a lot. But as I said that there might be some spillover sales, which we placed in the market in the first quarter itself, but sometimes we recognize the sale in Q2 because if it is not liquidated, we don't recognize it as sale.

**Yashovardhan:** Understood, sir. Sir, lastly, you've already spoken about the monsoon, I just wanted to understand if you can elaborate a bit on how the good monsoon will benefit us?

**Mithun Chand:** Good monsoon in the sense that if you get a rainfall in time and it's a widespread rain across country, then the season will be as anticipated. Otherwise, there might be a chance in the crop shifting that might impact sales to some extent. But as a company, we are there in most of the crops. When compared to other companies, we have a minimal risk in that. The risk is very minimal for us because we are already there in most of the crops.

**Moderator:** The next follow-up question is from the line of Dhruv Saraf from Bowhead India Fund.

**Dhruv Saraf:** Mithun, sir, just wanted to understand some color on the Bangladesh business. So we've seen a big drop in exports this year. So do you think

that business is gone for the next 1 or 2 years? Or do you see it coming back?

**Mithun Chand:** It will come back. This year is a hit what we have taken. But that's the reason I said that it's not only Bangladesh, which is coming up in the next 1 to 3 years. There are many other countries we have added upon like we are there in Africa and the Southeast Asian countries. So, the consolidated rate will go to RS. 150 crores in the next 5 years. And this year, we'll definitely see growth in these segments. Bangladesh will also pick up.

**Dhruv Saraf:** Sir, this year itself, we'll see Bangladesh coming back?

**Mithun Chand:** Yes, yes. We can see that Bangladesh is coming back. No, last time, there were a couple of reasons. One was political issue. Second, there was lot of inventory in the market in last year in Bangladesh markets because before that, the season was not that great. Now most of the inventories are down, the issue is also sorted out. And I think we can get back to the earlier sales we had in Bangladesh. And in fact, we have better plans in Bangladesh going forward.

**Moderator:** The next question is from the line of Jeet Jhaveri from Moneybee.

**Jeet Jhaveri:** Acreage, as you mentioned that we expect the cotton acreages to fall this year. So why is that? And why are we focusing on the cotton portfolio going forward in this year at least, if you're saying that the acreages are falling. So I just want to get some more color on that?

**Mithun Chand:** As a crop, cotton is not that lucrative when compared to other crops like maize. The MSPs of maize and the current market rate of maize is also pretty good. So people are slightly inclined towards maize this year. And whereas cotton, this crop shift is very natural in terms of agriculture, wherein some crops will do well and some crops will fall.

But cotton as a crop, we can't neglect it. And going forward, cotton is also very good focus on it. And with the decent base that we are right

now, we have good scope to increase market share. That's the reason we are focusing on cotton. And going forward, our focus will be on cotton as well.

**Moderator:** The next question is from the line of Anurag Jain, who is an Investor.

**Anurag Jain:** Basically, the Tata Group Company, Rallis in its conference call had mentioned that the entire seed industry is facing distribution challenges related to processing of seeds, packing of seeds and sending seeds to the market. So is this something that is affecting Kaveri Seeds also in the current season?

**Mithun Chand:** Not really because most of our facilities are owned by Kaveri itself, and we don't hire much of facilities from outside. It's all in-build facilities. We have faced this challenge earlier. That's the reason the strategy move will be to do everything in-house, and we are having that in-house processing facility as of now. And for us, we don't see much of a challenge. It's not a major challenge for us to fully integrate all our processes to in-house.

**Anurag Jain:** Okay, sir. And sir, how is Kaveri placed in terms of capacities for processing seeds and packing seeds for the next 2, 3 years? We already have the capacity to account for the growth for next 2, 3 years or Kaveri will need to do some capex to enhance capacity for processing and packing?

**Mithun Chand:** Yes, at present, if you see in India, we have got one of the largest and the highest processing facilities that we have right now, both in terms of the processing facilities, in terms of the warehouses, in terms of the cold storages. We have one of the highest capacities and processing facilities.

As of now, for the anticipated growth, we already have planned for whatever new capacities or new lines that we have built. We also made sure to have made it compatible to add more capacity on to it. And that's a continuous activity to increase the facilities. But going forward,

RS. 20 crores to RS. 30 crores per annum will be the capex for maintenance and addition of new plants.

**Moderator:** We'll take our next question from the line of Nilesh Doshi from Green Lantern Capital.

**Nilesh Doshi:** Yes. What was the cotton seed sale last year, Mithun?

**Mithun Chand:** It was around 3.6 million packets.

**Nilesh Doshi:** And you mentioned in one of the answers that the inventory you have created is 6 million to 7 million packets?

**Mithun Chand:** Yes, correct.

**Nilesh Doshi:** Yes. Second is, can you just tell me the inventory of finished goods as of 31st March as a housekeeping?

**Mithun Chand:** I don't have the exact figure right now, but whatever is there, apart from the biological assets, which are shown in the balance sheet as of now, apart from everything is like stock, which is already there in the plants. There are different ways to make it finished ready to go to market only when we try to send it to the market. Otherwise, it's all stored in bulk seed at a different levels.

**Nilesh Doshi:** And how much would be biological assets as of end of March?

**Mithun Chand:** It's like RS. 200 crores. Exactly, I don't have the figure right on the presentation, but it's like RS. 200-odd crores of it.

**Nilesh Doshi:** I'll take it offline.

**Mithun Chand:** I'll get back to you regarding that one.

**Moderator:** The next follow-up question is from the line of Dhruv Saraf from Bowhead India Fund.

**Dhruv Saraf:** Mithun sir, just one clarification on the balance sheet. We see a CWIP of around RS. 90-odd crores. This is despite all commissions...

- Mithun Chand:** Sorry?
- Dhruv Saraf:** This is, CWIP of RS. 90 crores on March in the balance sheet...
- Mithun Chand:** I'm missing you. What you're saying, 90?
- Dhruv Saraf:** I'm talking about the capital work in progress, sir, that is there on the balance sheet as of March of RS. 89 crores. So what does the CWIP pertain to because you've already commissioned the biotech center?
- Mithun Chand:** No. One is we have set up new office space now that is already commissioned. Some part is left out and some goes down for some R&D centres that we are building up. That is in the capital work in progress.
- Dhruv Saraf:** Okay. So that is over and above the biotech center you've already commissioned?
- Mithun Chand:** No, biotech is also part of it. Biotech, we have not commissioned yet. It's in the process.
- Moderator:** Ladies and gentlemen, this was our last question. Thank you for joining the call. For any other information, please be in touch with Mr. Rama Naidu from Intellect PR on 992-020-9623.
- On behalf of Kaveri Seed Company Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.