



NATH SEEDS®

**Nath Bio-Genes (I) Ltd.**

(CIN L01110MH1993PLC072842)

14<sup>th</sup> May 2024

The Manager-Listing  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

The Manager-Listing  
National Stock Exchange of India Ltd.,  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (E)  
Mumbai-400051

BSE Code-537291

NSE Code-NATHBIOGEN

Dear Sirs,

The Company had organized a conference call with the Investors/Analysts on Thursday 09<sup>th</sup> May, 2024, post declaration of its Audited Financial results for the quarter and financial year ended 31<sup>st</sup> March 2024.

A copy of transcript of conference call held with Investors/Analysts is enclosed herewith and the same being uploaded on Company's website.

We request you to please take the above on record.

Thanking You

For Nath Bio-Genes (India) Limited

Devinder Khurana  
Chief Financial Officer

NATH SEEDS

हर बीज खरा, शक्ति भरा



# “Nath Bio-Genes (I) Limited Q4 FY24 Earnings Conference Call”

**May 09, 2024**



**MANAGEMENT:** **MR. SATISH KAGLIWAL – MANAGING DIRECTOR,  
NATH BIO-GENES (I) LIMITED**  
**MR. DEVINDER KHURANA – CHIEF FINANCIAL  
OFFICER, NATH BIO-GENES (I) LIMITED**  
**MR. HARISH PANDEY – BUSINESS LEAD, NATH BIO-  
GENES (I) LIMITED**  
**DR. VENKATESH KULKARNI – RESEARCH LEAD, NATH  
BIO-GENES (I) LIMITED**

**MODERATORS:** **MS. DEEPIKA SHARMA – GO INDIA ADVISORS**



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**Moderator:** Ladies and gentlemen, good day and welcome to Q4 FY24 Earning Conference Call of Nath Bio-Genes hosted by Go India Advisors.

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 “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

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

**Deepika Sharma:** Thank you. Good afternoon, everyone, and welcome to the Q4 FY24 Earnings Call of Nath Bio-Genes (I) Limited.

We have on the call Mr. Satish Kagliwal - Managing Director; Mr. Devinder Khurana - Chief Financial Officer; Mr. Harish Pandey - Business Lead; Dr. Venkatesh Kulkarni - Research Lead.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risk that company faces.

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

**Satish Kagliwal:** Thank you, Deepika. Good afternoon, everyone, and welcome to our Earnings Concall for the Financial Year '24. I am Satish Kagliwal – MD of the Company.

Financial Year '24 friends has been a very satisfying year, full of growth and achievement. As you are aware, Nath Seeds have been investing heavily in R&D all through our inception. Our scientists have developed innovative products and high-performance seeds which have resulted in more yield and revenue for the farmers. Every rupee invested in every research yield a return of Rs. 13.85 surpassing returns from all other activities linked to farming. This is as per a study conducted by NIAP, an entity of ICAR, Indian Council of Agriculture Research. This only emphasizes the impact agriculture research has on the agricultural productivity and agriculture as a whole. We are very happy that we have been investing in agriculture research since our inception. A diversified product basket delivered strong performance during the year starting with our top ranked cotton hybrids, Sanket and Jambo, they grew both in volume and value terms.

Our paddy product portfolio had witnessed new unique additions like Khushi and Dhadak Gold this year. Our growing portfolio comprising of Bajra seeds, wheat and maize seeds performed exceptionally well. Overall non-cotton and non-paddy portfolio is delivering in line with our



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stated strategy. To enhance our vegetable portfolio this year, I have added several new products. Our premium products like Tomato Akhand and hybrid Chili Rana continue to be top ranked in their category. We further strengthened our vegetable team and have a new lead now. In order to bring enhanced focus in marketing, we have clubbed all three verticals that is field crop, vegetable and plant health nutrition under one marketing lead. This will ensure synergy and collaborative working resulting in enhanced reach and sales. Win-Chi-Win continues to perform and delivered a strong growth of 34% during the year.

We added two new organic fertilizers to our portfolio, WINall granules and WINPro GOLii. Both are much needed soil nutritional supplements. Subsequent to the approval of our BT gene in Philippines, I am not talking about exports, subsequent to the approval of BT gene in Philippines last year, we have successfully conducted demonstrations of our hybrids this year. Currently, the crop will have a six stage. We have begun trials and seek production activity in Uzbekistan through our joint venture there. This is a very small beginning, but we expect to grow many folds in near future. While we continue to get good progress at these locations, our experts in other locations, especially Africa have been getting impacted on account of geopolitical uncertainties. We continue to invest in infrastructure facilities like warehouses, conditioning godown and processing plants.

When seeds are indeed the foundation of life and have an impact on everything, practically everything, the food we eat, the clothes we wear, for example. At Nath Seeds, we are committed to delivering high quality seeds to our farmers, to continuous improvement and innovation. We will continue to build a pipeline of exceptional products and strengthen our market share by maintaining our strong financial position and balance sheet. We are hopeful of much better growth in years to come, very near future. I would like to thank all our stakeholders and look forward to their continued support. With this, I would like to hand over to Mr. Khurana for his comments. Mr. Khurana!

**Devinder Khurana:**

Thank you, Kagliwal sir. Good afternoon, ladies and gentlemen and thank you for joining us today. Our earning presentation has been uploaded on the exchanges and I am sure you would have seen the same. Before I discuss the financial performance in detail, I would like to talk about operating highlights of FY24. We are consistently delivering on our stated strategy of expanding non-cotton non-paddy portfolio.

During FY24, the company witnessed the growth of NCP portfolio to Rs. 1,407 million, Rs. 140 crores against 131 of last year, clocking a growth of around 7% and accounting for 44% of the topline. We have high-ranking cotton products, and the company continues to maintain a steadfast focus on this crop. In FY24, the company sold 16.06 lakh cotton packets marking a year to year increase of 16.39%. Regarding paddy, the proportion of research to hybrid is 75:25 volume wise, however, the value ratio is 59:41. The average per kg realization of hybrid paddy is almost double than that of research paddy. This, I would like to highlight was what we were



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contemplating around two years back that we would like to lay more emphasis on hybrid paddy for lesser volumes and more value. The company's strategic emphasis on promoting hybrid paddy with improved margin remained on course.

The emphasis on bajra is strong. Our star product Super 27 is performing extremely well. Led by this product, the bajra segment grew by 25.98% in value and 15.51% in volume. The PNS segment has also recorded a good growth with the value and volumes both growing by 35% plus over the last year. Apart from this, the maize segment grew by 40.56%, wheat segment grew by 26.86%, although their contribution to the topline is only 7%. However, we are sure of these products contributing even more to the topline in years to come.

Moving on to the financial performance for FY24, the topline grew by 10.43% to Rs. 332 crores over FY23. The gross margin also exceeded 55% during the year as compared to earlier years. I would like to reiterate that we have been maintaining a gross margin of around 53%, 54%, 55% over the last few years. The FY24 EBITDA stands at Rs. 510 million. The company's profit after tax increased by 16.8% against FY23 to Rs. 411 million. Our working capital position is also improving with stocks and debtors witnessing better controls. This year, we closed with positive operational cash flow of Rs. 74.70 crores. We continue to maintain a 0 long-term debt position.

And lastly, I would like to tell you that we had our first rainfall in Aurangabad today. It is a good omen. And let us not worry about the Sensex falling as long as the rain is falling, we are here to stay. With that, I would like to now open the floor to questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. First question is from the line of Majid Ahamed from Smart Sync Investment Advisors. Please go ahead.

**Majid Ahamed:** Can you provide insights into the performance of Nath Bio-Genes hybrid paddy variety compared to conventional varieties particularly in terms of yields, disease resistance and quality?

**Devinder Khurana:** You are looking for numbers or you are looking for products and it is not clear?

**Majid Ahamed:** Numbers, sir, especially in terms of yields.

**Devinder Khurana:** Satish, you can talk about yield difference and the disease resistances.

**Satish Kagliwal:** They are asking about Dhadak Gold?

**Devinder Khurana:** Yes, Dhadak Gold, right.

**Satish Kagliwal:** Let me first give the basic, like I said that we have been emphasizing on hybrid study more than the search paddy because it gives better margin and in that I said that value wise it is 60:40 RS versus hybrid vis-a-vis the volume being 75:25 RS versus hybrid, right. Now, I will request Mr.



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Harish Pandey who is our Business Lead for all the verticals to tell us something about the products that they have in accessory and how they are doing and how they are performing into the market. Harish, please.

**Harish Pandey:**

Good evening, all. As far as product, Dhadak Gold, which we have gone two years back, the performance over the competition, best competition hybrid it is 7% to 8% is more the market leader, number one. Number two is, look wise it is better than any hybrid is there in the market place. Number three, the size of the grain, which is highly acceptable in the government, all the societies and all. So, there are commercial advantage, there is yield advantage and there is a loop wise advantage. So, overall all the three things it covers. I hope it is clear to everyone.

**Majid Ahamed:**

How are you looking at the export markets currently? What is your future outlook in that market? How are you planning your strategies and your marketing?

**Satish Kagliwal:**

Actually, I said let me just tell you about export of Indian seed in terms of total worldwide sea trade is very miniscule. Although there is a huge potential for India to be exporting globally because we can be the good producer, we can be producing economically, we have diverse climatic conditions, so there is a potential for Indian seed companies to export practically all kinds of seed. And so this is where we began our activity. We have chosen a few countries and few products which are suitable. We also have now specially breeding for certain countries in certain crops. What is required is to find out what is needed in those countries, then finding those developing products for that territory and then also passing through what is called as a required regulatory approval in all those countries. Some countries are very stringent about regulatory controls, certain countries are not, so we have to make a plan and then this is how we are looking forward to it. We want to penetrate a few countries with few of our top products which will make a dent and also not only dent, let us say, it will make an impact in those economies by improving the productivity of the farmers in those countries. That is the let us say, our business plan as far as export is concerned.

**Majid Ahamed:**

Sir, could you be more specific which country are you targeting? What is the plan for FY25?

**Satish Kagliwal:**

See, on such control to discuss business country wise and all that, I think will not be practical, will not be proper also because maybe personal discussion. But let me tell you, we are targeting countries in all the continents one by one. Our strength is cotton. So, we are taking cotton in some countries. Our strength is some vegetables. We are taking vegetables in certain countries. So, we are choosing the countries based on the product strength, product treatment I would say, product suitability and that is how we are choosing, we are expanding rapidly. We are very small at the moment, but we want to be a big player in next 5 years time.

**Devinder Khurana:**

If I can add to this question to add a little specific mess. We already declared that we were in Philippines, the government regulation had taken quite a bit of time, but finally they have come



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through because our product is the best there. We are talking of cotton. So, demonstration plots were sent this year. We are very sure they will go through, so maybe we can talk of regular sales next year onwards. As far as Uzbekistan is concerned, I have already declared that we have a joint venture in Uzbekistan, and we are the 90% stakeholder. And in that we have taken up cotton production this year. If that succeeds, sky is the limit. As far as smaller countries are concerned, we are into Egypt, we are into Bangladesh, we are into Myanmar. Others like Kagliwal sir have said, we are exploring other avenues. As and when they happen, we will take them through.

**Majid Ahamed:** So, my final question is, what is your target mixture? What is your target revenue growth and EBITDA margin?

**Devinder Khurana:** We are expecting topline growth of around and I am being very conservative, but we are expecting a topline growth of around 15% to 20% and trying to take up the net profit like it went up by about 1%-1.5% this year. So, maybe another one that is a conservative approach, if things happen, if the monsoon behave, we have fantastic products which are lined up in the system be it cotton, be it bajra, be it maize, be it mustard, be it wheat, be it vegetables or even our supplements for that matter. So, we are currently geared up for around 15% to say 20% of topline. Rest everything depends on Lord Indra.

**Moderator:** Thank you. The next question is from the line of Dhvij Patel from Finterest Capital. Please go ahead.

**Dhvij Patel:** Sir, we have seen cold storage facilities, warehouses and conditioning godown, the capacity has increased, so I just wanted to ask you what had been the CAPEX for all of these, and do we have any planned CAPEX going forward?

**Satish Kagliwal:** Mr. Patel, let me tell you, I have made this point very clear. We are not very keen about putting in CAPEX. The godowns, the facilities are available at **(Inaudible) 18.58** on rental basis. We go into long term lease with these people and if we don't like it we have a right to change. Otherwise, if we put our own CAPEX, I have to maintain even in the non-seasonal times and this gets into my bottomline, which I personally do not like. We have facilities for cold storages, for godowns, for processing and these people are trained to do only that particular job. So, we normally do not do much as far as CAPEX in the real estate is concerned.

**Dhvij Patel:** And last question I had is, looking ahead, what trajectory do we anticipate for the working capital cycle over let us say next 2-3 years and also what strategies are we planning to implement to mitigate its dent?

**Satish Kagliwal:** Working capital cycle if you go through last 4-5 years, it has been improving year by year. The debtor days are coming down and the stock days are also coming down. They had gone up a little beyond the comfortable limits during COVID because for 2 years, we had production and



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sales return coming back together leading into the increase in inventory and debtors and things like that. We did say three years back that now that the COVID is over, we will be able to bring it down. Today, the working capital cycle has improved. The stock has come down number of days wise, although quantity wise it will go up because of next year's sales and debtors have also reduced, one. We have been giving operating cash flow positive over last three years now. This year it is almost about Rs. 75-Rs. 80 crores. Now, this is also pursuant to the acceptance of the products in the market wherein the market people are able to get a handsome amount of advanced bookings against our products, which also gives us a very boosted cash flows, so I think working capital is now not a concern, which it was 3 years back. We are on track.

**Moderator:** Thank you. The next question is from the line of Kunal from Counter PMS. Please go ahead.

**Kunal:** So, basically I would want to understand the outlook for cotton seeds for FY25 and are we still facing shortages in terms of the supply of cotton seeds?

**Devinder Khurana:** We will take this question in two parts. I will give you that like we are maintaining an expected topline of around 20% plus in cotton. This year also, we got around 17%. Our products like Sanket and Jambo, they are doing extremely well and we have other products coming up in pipeline. So, as far as the acceptability of the products is concerned that is not an issue. Whatever we are able to produce, we are able to sell. Now, you raised the second part of the question regarding availability of cotton, in that I would request Kagliwal sir to kindly throw some light on that.

**Satish Kagliwal:** I think it is very interesting and relevant question. You seem to have studied the seed industry very well. The seed industry currently is parking through a phase when supply of seeds becomes a challenge. The farmers, they do want to produce seeds, but then vagaries of monsoon, fluctuating monsoon is reducing the yields, affecting their economics. And secondly, there is a huge shortage of farm labor which is requiring large numbers for seed production activity because most of the seed production activity requires more manual labor, this cross pollination etc., and the biggest hit appears to be in cotton. The areas required are too much, although we are producing cotton seeds in 8 different states in the country. Everywhere the challenge appears to be same and farmers are also having alternative options of not going for seed production and yet getting the good revenue, say by commercial cultivation of cotton itself, for that matter, other crop. So, we have been facing challenges, the industry is facing challenges. We are making all those efforts to go to newer areas and enhance yields and all our efforts in agricultural practices, but we expect shortage of cotton seed in the current year overall for the industry and which will be the same case with us. We may not be able to supply the total quantity really in demand for Nath Seeds.

**Kunal:** So, this year also, our focus is that we will face seed charges is what I understand?





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- Devinder Khurana:** There is an overall shortage.
- Kunal:** But this overall shortage does not seem to impact the company's performance, is that correct?
- Devinder Khurana:** Yes, we will balance it out.
- Satish Kagliwal:** You see, we said that cotton, we are keeping focus offer on 20% that is keeping in mind the product performance, the availability of the product, the acceptability of the product. So, if that goes through, we will maintain this. If somehow the miracles happen and the availability increases, Mr. Harish Pandey, sitting right next to me says you give me 100 lakh packets, you will go and sell 100 lakh packets, no issues.
- Kunal:** So, I mean, apart from the acceptability of our products, what are the steps is the company taking to mitigate this shortage in seeds that we are looking at?
- Devinder Khurana:** Yes, so that Mr. Kagliwal said that we are going to newer areas, and we are trying to keep people, see we have growers who have been with us for quite some time and they are very faithful to the company. So, not only we, he said everybody is facing that challenge, but that challenge is not going to take away the cotton being the main stream of Kharif crop. So, it is okay, it can be taken care of. In conservative fashion, I think we should be good.
- Moderator:** Thank you. The next question is from the line of Khush Shah from Niveshaay Investment. Please go ahead.
- Khush Shah:** Actually, I had a couple of questions. First would be, can we expect any new product launches in the next 3 years as we have also added peas and cucumber?
- Devinder Khurana:** So, he is asking whether we expect pipeline products over next three years.
- Satish Kagliwal:** So, we have a series of pipeline products waiting to be launched. They have to go through what is called the evaluation and testing phase and we have many production pipeline. We have a productive pipeline for tomato. We have chili that is hot pepper, we have product in Cucumber pipeline, also we have product in Bhendi that is okra. That are vegetables. We have several products in the pipeline.
- Khush Shah:** So, after launching a successful product, how long does it take for its full potential to be realized in the market?
- Satish Kagliwal:** Say two to three years. It has to be sold, step by step process. So, it gradually goes up. And again, depends on marketing effort and the need of the product in the market. And how the market done, three years' time, which will reach its height.



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- Khush Shah:** So, according to the expansion or for the growth purpose, which segment do you anticipate will drive growth in the future?
- Satish Kagliwal:** Bajra, maize and vegetable and supplement with the constant focus on paddy and cotton.
- Khush Shah:** So, how do we plan to optimize the crop mix going forward?
- Devinder Khurana:** We are well aware of the potentials of each crop, each territory, each market, each potential, each yield, okay. So, when we make a marketing budget, then we see the availability as well as the acceptability of each product and each different place. Based on that, we make the marketing budget which is going to capture the potential of each and every product that we put into the market. It is a regular affair for us.
- Khush Shah:** And my last question would be, how the working capital cycle has improved?
- Devinder Khurana:** I just answered back in the last question. I hope you were there.
- Moderator:** Thank you. The next question is from the line of Ritik from Concept Investwell. Please go ahead.
- Ritik:** So, my question is regarding pheromone-based products. So, this is not Sanket that we have that goes into building cotton crops. So, there are pheromone-based products which help to keep bollworms away from the site and you have mentioned that there is Sanket keeping tapping all them away. So, if assuming that you use Sanket, so is it like the farmers don't have to use pheromone based products at all, or it is like you have to also use Sanket and also you have to use pheromone based products on all sides?
- Venkatesh Kulkarni:** Pheromone based product means see, for pink balloon you were telling about pink balloon. For pink balloon, there are a lot of approaches. There is PB rope and there is a mask entrapping through pheromones. One of the technologies is mass entrapping of balloon moths. So, pheromones is a practice. As of now, Sanket is less affected by pink balloon because of its non preference basis. So, we are finding its growth in the coming years because of these some special features.
- Ritik:** Sir, any color on competition from illegal BT cotton involved and what is the impact on the market?
- Harish Pandey:** So, illegal cotton BT impact would be there, definitely because it is coming from Gujarat and other states to like Maharashtra, MP and this thing. The impact would be like last year there was around 40,00,000 to 50,00,000 packet sales and this year we are expecting almost similar kind of infiltration in the same areas. So, definitely there would be impact because few states where



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the cotton acreages may go down, it will impact more, but there are states where cotton acreages will be going up where it may not impact.

**Ritik:** Are there any steps that you are taking to reduce this?

**Devinder Khurana:** We cannot take steps to reduce illegal BT cotton because we are not a part of it. This is the government to ensure that the seed industry is not hampered in the national interest by curbing this illegal BT cotton. And I am told that the governments are taking steps to try and make it as less as possible, or maybe 0. The only steps we can say or give is by giving our products, which are better than others so that we continue to grow.

**Moderator:** Thank you. The next question is from the line of Aditya Sen from Robo Capital. Please go ahead.

**Aditya Sen:** Sir, as we all know, Q1 is the best quarter and we are already halfway through this, can you please give us an image of how this Q1 is shaping up? How is the demand and how much revenue do we foresee in this quarter?

**Devinder Khurana:** Three things you asked, one is, how we foresee the quarter, now that depends on the monsoon, we are an Agri based industry. I said it was a good omen if the monsoons are good. I can assure you that we are placed all over the country the way we planned to be placed. So, if the monsoon behave, our products are available, they will be available on the shelf and we hope to clock our sales. Topline, I have already given an indication. Our revenues, we will calculate after the first quarter, please. We are well prepared for the season. No doubt about that.

**Aditya Sen:** And in an earlier question, you gave PAT percentage or PAT growth I missed, you said something 1%-1.2% net profit?

**Devinder Khurana:** PAT is Rs. 41 crores?

**Aditya Sen:** No, you were sharing a guidance. You said that revenue growth, you are expecting 15% to 20% and then you answered about PAT. So, I missed that part. How much PAT growth you are expecting?

**Devinder Khurana:** Maybe around 1% notch beyond this year.

**Moderator:** Thank you. The next question is from the line of Anurag Jain, an Individual Investor. Please go ahead.

**Anurag Jain:** So, my question is, given this situation for the industry wide situation that there are supply constraints. So, in this situation, the industry should be seeing much lower sales returns of seeds in the coming season, in this current season. And in this situation of lower sales returns, will it improve the operating margins as wastage is reduced?



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- Harish Pandey:** Sales return, our marketing people, they plan for around 15%. It goes up to around 20-21. That is natural. Now, sales return is not only a question of demand and supply, it is also a question of where the placement happened and whether the monsoon hits that area or not because the window for sowing is very small. In that window, we have to knock off everything from the shelf. So, sales return is a **(Inaudible) 36.21** as far as seed industry is concerned, but our sales return has been reducing over the last about 3-4 years, leave 2 years of COVID aside, our sales return has been improving leaps and bounds. That is why we are having a good topline with better margins. We would continue to strive for that, and we would continue to try and achieve that.
- Satish Kagliwal:** And the sales center less, obviously it does improve our operating margin, no doubt. Definitely it helps.
- Moderator:** Thank you. The next question is from the line of Aman Jain from Arihant Capital. Please go ahead.
- Aman Jain:** So, I think sir, you mentioned in your opening comments, can you please again provide us the proportion between basic paddy and hybrid paddy, not in terms of volume, but in terms of value contribution?
- Devinder Khurana:** Value hybrid is 41% and RS is 59%.
- Aman Jain:** And are there any goals or targets that we have to increase the share of value for hybrid paddy?
- Devinder Khurana:** To start with 50:50.
- Aman Jain:** Sir, I wanted to get the status on your hybrid seed production for okra and also if you can tell us about the number of products that the number of hybrids that we have which are currently in trial seed production, or which are in testing marketing model?
- Devinder Khurana:** I think giving you the number of products which are in trial seed and marketing model specifically crop by crop is a very elaborate process, Mr. Kagliwal already said that our product each and every crop in trials and marketing and it is a very elaborate time testing process that we follow. As far as okra is concerned, definitely it is one of our better products in vegetable, but then we are also concentrating on tomato, on cucumber, on peas, peas we introduced last year. So, the production plans for these are commensurate to the sales plan of these products. And since the varieties are many, I don't think we will be able to give you variety by variety, crop by crop production target for this year. I think that will be going a little too deep.
- Satish Kagliwal:** I just answer a little more specifically, Devinder. We have two products in okra which are looking very promising. In trials, they have surpassed all the competitive products. There are



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two kinds of diseases which are very important. One is yellow wine mosaic virus and second is ELCV. So, these two are the viruses which come on okra and the breeding has to be for having resistance or let us say good resistance to these two viruses. So, we have two products, currently in seed production, which will go in seed production this season and available for selling also in this year. So, let us say this products have been tested and tried and will be launched this year. These two products are there which are looking very profitable.

**Aman Jain:** To answer one last question, this is more of a broad question. So, can you please give an overview of your plan, like how do we plan to capitalize on the new additions that we have done to our portfolio?

**Devinder Khurana:** Boss now again, you are asking very generic questions. We said that we want to continue our focus on paddy and cotton. In paddy, we want to enhance our focus on hybrid and try and bring it 50:50. For cotton, I said we want to maintain 20% plus. Depending upon the availability, if it improves, the cotton will improve. As far as non-cotton, non-paddy field crops are concerned, we said that we have super product in bajra, we are doing well in maize and wheat as compared to last year, our mustard products are going on well. With all this, I am still saying that we target around 15% to 20% growth for next year. Anything beyond that will be a cherry on the cake.

**Moderator:** Thank you. The next question is from the line of Aditya Sen from Robo Capital. Please go ahead.

**Aditya Sen:** Sir, we took some provision few years back for around Rs. 80 crores, so are you seeing any recovery in the same?

**Devinder Khurana:** This year, if you go through my quarterly results, we have made a dent into this. We were able to recover not much, but around 3.5 or something like that, the crudes, like I made it clear last to last time also. Over that we cannot force the farming community to cut up money. But however we are making adjustments and we are recovering. Some part of adjustment is showing itself in purchase value wherein whatever we have not recovered, we will be able to reduce the price, but that is also currently this year it wasn't much and we were able to clock around 3.5 Cr as recovery which isn't shown as extraordinary items in the quarterly results and in the coming year, we hope to make it around 10 plus. I am hoping that it will be like that.

**Aditya Sen:** And how much bad debt did we book?

**Devinder Khurana:** This whole thing was provisioned 3 years back. As far as bad debt like these are bad advances for the COVID period, which has been well provisioned for three years back only. And as far as bad debts are concerned, there is again it will be available in the balance sheet, it will be out in a few days' time. We have a policy that any debt which is more than three years, we make a provision for bad debt. That is it. So, my total bad debt this year was not much, but just a few lakhs and that is it and they are clearly available in the balance sheet.



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- Moderator:** Thank you. The next question is from the line of Kunal from Counter Cycle PMS. Please go ahead.
- Kunal:** Sir, I just want to get one thing clarified. Are you mentioning that you want to maintain 20% plus of total the venue of the company importing or 20% plus growth in volumes in cotton in FY25?
- Devinder Khurana:** We are basically more concentrated on the values. Volume is immaterial if my one product gives me double the margin then why should I, it is like what? So, we are not talking of volume. We are talking of value there. Overall, we are hoping around 20% in FY25 and crop wise growth, expected growth I have already given.
- Kunal:** 20% growth in cotton, right?
- Devinder Khurana:** In cotton, 20% separately overall, 15% to 20% separately.
- Kunal:** Sir, my last question would be, so with the seed shortage that we are facing in the market, the supply of seeds, who would be the main, since the company is not looking to get impacted by it. So, I mean are the small players that would be impacted by it or what is your understanding of the situation to say?
- Satish Kagiwal:** Actually, all the players will be affected, small or big because of production is done by all the people, everybody has their own strength area, so everybody will be affected, small and big both. The percentage and the impact may vary from percent to percent and company to company, but it will be varying small companies, also big companies.
- Kunal:** And sir, when we say we are looking at 20% value growth in cotton, do we expect to maintain the cotton volumes that we did last year or what is the outlook?
- Devinder Khurana:** If the value increases by 20% and if there is no increase in price, the volume will also grow by 20% that is natural. And this is the government control price, if they increase the price, maybe we will be able to clock 20% with lesser volume growth.
- Kunal:** So, we are looking at volume growth this year also.
- Moderator:** Thank you. As that was the last question for today, I now hand the conference over to the management for closing comments.
- Devinder Khurana:** Yes. So, I think very inquisitive set of questions, very well thought of my personal gratitude, and thanks to the entire participants and the investment analysis people for having taken time to deep study. Agriculture industry is not an easy industry. It has lot of analytical complications, but the questions were well brought out. So, thank you very much for joining us today. As a



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passing remark, like I said last year also, I am making a reiterated statement, we are here to stay, we have been in agriculture for quite some time, we understand the difficulties, the challenges and the nuances of this particular industry, and we plan to touch Rs. 500 crores of topline ASAP. Thank you. Thank you very much.

**Moderator:**

Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.