

18<sup>th</sup> August 2025

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**MUMBAI - 400 001**  
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**National Stock Exchange of India Ltd.**  
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Dear Sir/ Madam,

**Sub: Transcript - Kaveri Seed Q1 & FY 2025-26 Results Conference Call on  
Thursday, 14<sup>th</sup> August, 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 Q1 & FY 2025-26 Results Conference Call made on Thursday, 14<sup>th</sup> August, 2025.

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

<https://www.kaveriseeds.in/wp-content/uploads/2025/08/Tran.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  
Q1 FY26 Earnings Conference Call”**

**August 14, 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 Limited Q1 FY26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

Joining us today on this call, we have with us Mr. Mithun Chand, Executive Director. Before we begin, I would like to mention that some of the statements made in today's conference call may be forward-looking in nature and may involve risks and uncertainties. For a list of such considerations, please refer to the earnings presentation. I now hand the conference over to Mr. Mithun Chand. Thank you, and over to you, sir.

**Mithun Chand:**

Thank you. Good afternoon, and welcome, everyone, to our Q1 financial FY26 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 Q&A.

We are delighted to declare a good set of numbers on account of increasing acreages and higher realizations of non-cotton segments like rice and maize. Increased volumes of non-cotton hybrids have resulted in good realizations, which has been well reflected in the overall revenue growth. The increase in contribution of new products of volumes of cotton will have major impact in the quarters to come in our overall cotton revenues growth. Rice, maize and vegetable segments continue to grow both in terms of acreages, revenues, so as realizations.

In spite of restrictions in hybrid rice sowing in Punjab, we had delivered good set of growth in hybrid rice revenues. We have witnessed a trend of substantial increase in revenue growth as compared to volume growth across all non-cotton segments like rice, maize and vegetables, which would continue in the next years to come.

Revenue from operations was at RS. 945.31 crores as compared to RS. 808.09 crores in Q1 FY25, registered a growth of 16.98%. EBITDA was at RS. 332.85 crores as compared to RS. 292.79 crores in Q1 financial year FY25, increased by 13.68%. Net profit was at RS. 316.50 crores as compared to RS. 282.91 crores and registered a growth of 11.88%.

Key highlights. The contribution of new products of volumes of cotton, up from 12% to 34%. Cotton sales impacted by increase in illegal cotton, increase in cost of production of cotton seed impacted the profitability. Hybrid rice volumes increased by 6.48% and revenues increased by 32%. Hybrid rice restricted in Punjab affected the sales in that state. Selection rice volumes increased by 1.5% and revenues increased by 11.58%. Maize volumes increased by 21% and revenues increased by 54%.

Vegetable seed volumes increased by 28%, whereas revenues increased by 41%. Volumes of non-cotton hybrids increased by 8% and revenues increased by 31%. Volumes of cotton hybrid decreased by 15%, and there is a corresponding decrease in revenue. I would now open the floor for Q&A session.

- Moderator:** Thank you very much. The first question comes from the line of Siddhant from Goodwill. Please go ahead.
- Siddhant:** My first question was when you refer to the cotton illegal seeds, are these largely BG-III seeds?
- Mithun Chand:** Yes, basically illegal BG-II RRF seeds. That's what we call as illegal seeds.
- Siddhant:** Okay. Any update on the BG-III?
- Mithun Chand:** Not yet, but it's been positive, any time it should come by seeing the growth in this type of illegal cotton, even the government authorities are a bit worried about it and even farmers for new technologies. We have a continuous dialogue with the approving authorities. So any time we may expect it.
- Siddhant:** Okay. Any update on non-cotton GMCs or testing?
- Mithun Chand:** As of now, now, the testing is going on, but not much. What we think is that initially, first thing will be the cotton segment because which is already approved in the market and non-cotton segment may take some more time to get the formal approvals.
- Siddhant:** Okay. The non-cotton growth that we achieved this quarter, firstly, congratulations on that. Secondly, do you think this will sustain at this rate for the next few years or maybe a lower rate?
- Mithun Chand:** Definitely, what we think is that non-cotton segment should be in and around the 20% growth levels going forward as we see acreage increase in maize. And even we see the rice market to go up. This time, even the rice market grew when compared to previous year, majority of the market was in this varietal speed and not in the hybrid segment.
- But definitely, what we anticipate is that definitely the move to hybrids. We see both acreages coming up in both maize and hybrid rice, whereas Kaveri, we are well placed in maize. We have very good pipeline hybrids which are coming in, which are for not only for the southern segment, but also we are already working on the segments where we are not there.
- Even in rice, we are working on the segments where we are not there. So we have very good pipeline hybrids in those segments. What we think we believe is that going forward 20% growth in non-cotton segment is very much possible.
- And coming back to cotton by seeing the base what we have. Even last year, we said that we have a low base, we will not go back but the illegal cotton has gone up this time and the acreages are also slightly down. That has impacted the sale. But the plus point in our sale this year is that even though we have decreased in our sale, the new cotton contributions have gone up when compared to the previous year.
- So those are the segments which are doing well. So definitely, we think that even in cotton, we see a good growth coming. We just got delayed by a year or so, but we are pretty confident

about the cotton growth. And overall, we see the company to grow 15% to 20% going forward for the next 3 to 5 years which looks pretty much possible.

**Siddhant:** Okay. Within the cotton, is the illegal seeds productivity higher than the BG-II seeds that we are selling right now or the industry is selling right now?

**Mithun Chand:** Right now, what we anticipate is that is our company's internal thing, may differ from other companies. But what we see the 20% of the market is in the illegal BG now.

**Siddhant:** Okay. No, I'm talking about the productivity of those seeds. Is it better than...

**Mithun Chand:** No, we still need to watch it now, we have seen a mixed result on that. The crop is still growing and we are yet to see the results. But anyway, the government is also acting very harsh now. They have witnessed this type of growth. We all as an association, we all represented saying that it will harm the farmer going forward because they don't know what sort of seed they are putting in. So that also will impact yield going forward. So I think that will be corrected.

**Siddhant:** Perfect. Last question before I join is, what is our dividend cash payout policy? Because I think we're sitting on all-time high cash and we had a buyback policy before. Now what is it going forward?

**Mithun Chand:** Not at a high because as we have produced more inventory this year, majority of the cash is there in the inventories, which will be realized in the next coming quarters. But as of now, we have not taken any decision on the buyback policy. Dividend will definitely be there. We'll come back with the policy once we have the discussion on it.

**Siddhant:** Okay. And because you are sitting on all-time high inventory, do you expect some inventory to get written off or not really?

**Mithun Chand:** Whatever inventory we have is all new inventory. Our written off is always a part of the system. So we don't see any sort of high risk in writing it off as of now. But the stock is not yet returned. We have just made a provision. It is reaching the stock. We'll meet it through the quality test and do that. But with our experience, what we see is that most of the stock is this year produced stock. So usually, these stocks lie for 2 to 3 years. So we don't see that sort of risk.

**Moderator:** The next question comes from the line of Amit Doshi from Care Portfolio Managers Private Limited.

**Amit Doshi:** Sir, while we say that we have a 17% growth, that's on the stand-alone. When I look at the consolidated numbers, we are in a single-digit growth. So is it fair to say that the sales that we have done is lying in as inventory in subsidiary? I mean any clarification that you would like to give.

- Mithun Chand:** So we don't have any inventories in subsidiaries because whatever we sell is through subsidiaries only. Majority of the subsidiaries when we see, it's only cotton, not the other crop. That's the reason you see a single-digit growth there.
- Amit Doshi:** No, still not very clear. So when you say consol has RS. 945 crores of sales, whereas -- sorry, stand-alone has RS. 945 crores of sales and consol has around RS. 90 crores less sales. So I didn't get the cotton part.
- Mithun Chand:** No, as per the accounting, we need to deduct that, but that's the only thing. That's the reason you see a single-digit growth there. We need to knock out that sale.
- Amit Doshi:** But ultimately, as a company, including subsidiary, we would have done sales of only RS. 50 crores, right, and not RS. 945 crores.
- Mithun Chand:** Subsidiaries, we have done more sale in subsidiaries. But when we see the entire source of the seed is from the main company seed. For example, if I sell RS. 700 -- if I sell at RS. 800 in cotton there, the RS. 600 is registered in the books of Kaveri, only RS. 200 is registered in the books of subsidiary. That's the reason, you see a very small growth there, only RS. 50 crores sale there. Anyway I will come back with those -- anyhow I will come back with...
- Amit Doshi:** Not very clear on...
- Mithun Chand:** I will also try to clarify that. I will also try to clarify that regarding the consolidated one, in what way the accounts are treating it, I will just -- do that.
- Amit Doshi:** Sure, sure. Sir, in terms of volume growth and price growth, we have seen significant price hikes in all of the seeds except the cotton one. So any particular reason that this time there is no significant demand or some price hikes that we have taken? Anything particular because all volumes have grown, but the price has grown far higher. So anything on that?
- Mithun Chand:** If you see the last 2 quarter con calls, we were saying that the cost of production is going up in most of the crops. That's what we have seen here. And we were able to pass on the cost of goods to the farmers in non-cotton segment. Whereas in cotton segment, because the prices are restricted by the government and there was a lot of inventory, the demand was not that good.
- So these all have affected in not passing on to the farmer. That's the reason even though we have realized a few tens of rupees more than last year whereas the cost of production was really high when compared to the last year which had impacted our profitability.
- Amit Doshi:** Okay. So that is something which...
- Mithun Chand:** If you see the decline, we are down by like 1% in EBITDA margins compared to the previous year. Usually, when we do sale in non-cotton segment, the margin should go up. In fact, the margins have gone up in non-cotton segment, but the margins in cotton have dragged a bit. That's the reason we have seen a dip of 1% in the overall EBITDA margins.
- Amit Doshi:** Understood. Understood.

**Mithun Chand:** And that's a very temporary thing. This year, all the companies have produced more. Now it should moderate.

**Amit Doshi:** Okay. Okay. And sir just earlier participant spoke about inventory of course we had a very high inventory compared to last year, RS. 750 crores, more than RS. 1,000 crores. So last time you mentioned we produce buffer stock. So you did mention, but do you see anything significantly liquidating in the second half in the rabi season? And how do you see rabi season...

**Mithun Chand:** Definitely, the second half will be much better than last year because we see a huge, I mean, very good positivity for maize. And if you see this year also, our major crop is maize, which has grown by more than 21% in terms of volumes as well. And going forward also maize is a crop which will grow. Vegetables have also gone up. And when you see the next 3 quarters of the second half, basically, it should be much better than what we had earlier.

**Amit Doshi:** Understood. Understood. Sir, any clarity on the tax matter that which is still pending or hanging for...

**Mithun Chand:** As of now, no case is disposed at commissioner level, I mean, the CAT appeals level. If anything is there, definitely, we'll inform to the investors and the exchange.

**Amit Doshi:** No anything at the policy level. So the current...

**Mithun Chand:** Policy level, not yet. But as an industry, as an association, I'm also part of it. We are continuously representing it, and they also want to make a policy which they are still working on it. There are many reports which suggest that it should be treated as agriculture income internally, but we are waiting for the policy. We are trying for it. I'm not sure when we'll get, but we are continuously trying for that.

**Amit Doshi:** Okay. Okay. And sir, we also have crop nutrients as a part of our sales. So what percentage of that would be -- I mean, sales breakup you have given, but this crop nutrient segment?

**Mithun Chand:** Sorry?

**Amit Doshi:** We also have crop nutrients segment, right? Or everything is...

**Mithun Chand:** Yes. we have but that all comes in the subsidiaries, but that's a very small part of the business.

**Amit Doshi:** Okay. It would be less than the...

**Mithun Chand:** The crop nutrients is only RS. 45-50 crores business as of now. But even we see good growth going forward in the next 3 to 5 years, it will contribute to the top line. We're working on the products earlier, maybe in a year or 2, most of the products and the network will be across India.

So we see good activity in those segments. And the other part, what we have done in this year in the last 1-2 years, even in subsidiaries, we were only doing cotton earlier. But we have

many products in R&D because we have expanded our subsidiary network to other states where we are giving other products which are not there in Kaveri.

For example, if you have 2 or 3 hybrids in Kaveri, one of the hybrids are given to the subsidiary so that we can market all the hybrids. Because in a company, we can't market all the hybrids at a go. So we are already expanding those networks. So even in subsidiaries, we'll also do very good business going forward, both in cotton and non-cotton segment.

**Amit Doshi:** Okay. Okay. And sir, when I look at other peer segment results, peer companies in the listed space, so they have also done significantly well, like Rallis if I take more than 35% growth. So this time, is it across industry, would you want to say that Kaveri has also done in line with industry or slightly...

**Mithun Chand:** That we need to see because this time, the industry was tough, except for maize in most of the crops, they were not able to do, for example, cotton, no. But whereas Rallis, their hybrid has done well in Northern India, cotton because every company has their own policies initially because some do that in first quarter, some do in second quarter. But as a policy as a company, we take only the liquidated stock as the sale and provide everything as returns, whereas other companies take the policy of 10%, 15% or so.

Usually, this time, what we see in the industry is the returns are more than the usual terms. So we need to check for the second quarter results, and we can only say what they have done well because we don't have an exact idea what the liquidation amount is. Once you see the second quarter, we can compare first half to first half and then we can draw a conclusion.

**Amit Doshi:** Okay. Okay. I will reach out to you separately on the revenue standalone consolidated.

**Mithun Chand:** Sorry.

**Amit Doshi:** Thank you so much for the stand-alone consolidated clarification. I will reach out to you separately...

**Mithun Chand:** Yes. I'll definitely try to work on it. I'll just try to understand...

**Moderator:** The next question comes from the line of Dhruv Saraf from Bowhead India Fund.

**Dhruv Saraf:** Congratulations on the good numbers. Sir, just wanted to understand what is the R&D, as a percent of sales for the quarter?

**Mithun Chand:** So last year, the entire revenue expenditure of R&D was close to RS. 60-odd crores. This quarter, it should be in the same line, RS. 15 crores to RS. 17 crores and capital expenditure extra will be over and above because we have again invested like RS. 45 crores to RS. 50 crores in a new R&D plant. Today, it was the opening of that R&D centre.

**Dhruv Saraf:** So you said around RS. 14 crores of depreciation in the first quarter. What is...

**Mithun Chand:** Sorry.



- Dhruv Saraf:** We've seen around RS. 14 crores of depreciation in the first quarter. So sir, what should we assume this run rate as well going ahead? Or will depreciation increase...
- Mithun Chand:** Yes. Maybe for a year or so, this run rate will continue for the next 12 to 18 months, this should go on because we have set up a new office. So that also was capitalized in the last quarter. If you see last quarter, the depreciation was RS. 14 crores. This quarter, it is RS. 12 crores. So it will continue for the next 5, 6 quarters, then it should be done.
- Dhruv Saraf:** So you don't expect, sir, your depreciation to increase from these levels in the next few quarters?
- Mithun Chand:** So the depreciation, that's including both last year and this year, the depreciation altogether should be like RS. 12 crores to RS. 15 crores should be per quarter, and it will not go beyond this.
- Dhruv Saraf:** Understood. Right, Mithun sir, what is the visibility you have on the export business on the Bangladesh sales? Do you expect...
- Mithun Chand:** Compared to last year, we see a lot of positivity in Bangladesh, not only in Bangladesh, in other countries like Tanzania, Vietnam, Philippines, we have already exported to some extent. Compared to previous year, the export will definitely have a growth of 30% to 40%.
- But whatever we are growing this year, that will be the base. And year-on-year, we see a good growth in exports also because most of the products are accepted in new countries also, which we were testing for the last 3 to 5 years. So some quantities are already exported this year. And sorry, this quarter also, the running quarter also, we have done some sales.
- Dhruv Saraf:** I had a question on cotton, sir. So you've seen the new products perform well in the market, and you scaled up to almost 10 lakh packets of new products. So going ahead in FY28, how do you see the mix changing of cotton? Do you assume that -- should we assume that new products in cotton would be most of the sales going ahead? Are you confident of that?
- Mithun Chand:** If you talk about FY28, 80% to 90% of the revenue from new products.
- Moderator:** The next question comes from the line of Krushi Parekh from Buglerock PMS.
- Krushi Parekh:** Sorry, first of all, for the background noise, but we had substantial jump in the inventory about 40% as compared to previous year in the March quarter. I mean the sales revenue jumped about 17-odd percent largely because of this cotton or...
- Mithun Chand:** Sorry, in between I was missing you. What's your question...
- Krushi Parekh:** My question is that we saw a jump in the inventory during the March quarter. And the revenue for this quarter jumped by about 17-odd percentage. So is the mismatch because of cotton seeds only or because of some other seeds as well?
- Mithun Chand:** So we have produced all seeds. If you recollect last year con call when we had a March quarter results, we said that we have intentionally increased the inventory. One is we are anticipating

good season. And second thing is we want to maintain some buffer stock because this time, we faced inventory crunch and we lost some sales that is last year. So we have produced more and strategically, we are keeping some as buffer stock.

Yes, cotton, as per our anticipation, we thought of doing better, but we have not done well. The cotton inventory is slightly higher than compared to what you say, like our anticipation. But if you see the overall level, if you see cotton as a percentage is only 20% of our revenue. So that will be in line with our inventories.

**Krushik Parekh:** Okay. And typically, who would be producing these illegal cotton seeds and how can...

**Mithun Chand:** There are many companies who do it. There are tens of companies who do it usually who are not the big companies only the smaller companies will produce them.

**Krushik Parekh:** Okay. And considering where we are today in terms of our inventory level, so how will -- our procurement will be in the next season?

**Mithun Chand:** Cotton, we have already given it. We are trying to reduce the inventory because we have not done well to what extent we'll be successful in that. Whatever inventory we have given is a new hybrid. So we don't have any worry about that. But whereas in other crops, we are yet to give the production because that all happens in the second half.

By seeing the inventory level, by saying which variety we need to give based on that we will give. So we don't see any threat in those non-cotton inventories. Even in cotton, it's a new hybrid, so we don't see any issue in that.

**Moderator:** The next question comes from the line of Anurag Jain, an individual investor.

**Anurag Jain:** Just to continue on the point of consolidated sales and stand-alone sales. Last year, the consolidated sales were around 8% higher than stand-alone sales. So for the full year, would you expect the same trend to continue that consolidated sales would be like 8% higher than, say, stand-alone sales?

**Mithun Chand:** But that's what I said that I just need to find out the accounting policy of stand-alone and consolidated. But if you see the subsidiary business when compared to last year, that will definitely be better than the next second half. Last year, second half to this year second half or last year 3 quarters to this year 3 quarters, it will be much better than the last year because as I said that earlier, we were only concentrating on cotton crops, now we are down to the non-cotton segment. Non-cotton segment usually comes in the second half. So that will be much better than last year.

**Anurag Jain:** The reason I'm asking this question is because if we look at consolidated sales, the growth is only 7%, which is good. But stand-alone sales growth is 17%, which is excellent. So for the full year, what kind of trend would you look at like a 7% growth or a 17% growth, which is the more meaningful number?

**Mithun Chand:** So consolidated, I'll just come back with the accounting policy, how they do that. But if you take the stand-alone process, it will be much better than the 17% growth.

**Anurag Jain:** Okay. Okay, sir.

**Mithun Chand:** The next 3 quarters will be much better than the first. For example, if we have done 17% growth when compared to Q2 to Q1. If you compare the next 3 quarters to this coming consequent 3 quarters, the 17% growth will be much higher than the 17% growth.

**Anurag Jain:** Okay. And...

**Mithun Chand:** Overall, what we think is that right now, the 17% growth, which is looking for quarter-on-quarter, but year-end, it should be like close to 20% growth overall.

**Anurag Jain:** Okay, sir. Okay. And then the same trend should be reflected in the consolidated sales too...

**Mithun Chand:** Yes, yes.

**Anurag Jain:** Because the consolidated should be higher than the stand-alone for the full year?

**Mithun Chand:** Let's just come back on how the accounting of the consolidated numbers. But definitely, the sale will be in terms of absolute figures will be higher, both in terms of the consolidated and in terms of the stand-alone.

**Anurag Jain:** Okay. And sir, there is a follow-up. One of the previous participants had asked that where are the illegal seeds coming from. So you said that it's coming from the smaller companies, but the smaller companies in India or is it coming from overseas?

**Mithun Chand:** Most of the cotton companies are Indian companies. I mentioned that these are very small pockets, they produce and they cater to their own segments.

**Anurag Jain:** Okay, sir. And sir, just to understand the growth in rice volumes, growth in rice seed volumes, the sowing area has increased by around 17% across different states as per the commentary in the presentation. But for selection rice, the volumes are up by 1.3% and hybrid rice volumes are up by 6.5%. So our volumes have grown lesser than what is the increase in the sowing area. So what would be the reason for this lower volume growth versus the growth in the sowing area for rice?

**Mithun Chand:** I've already commented on this, but again, I'll clarify on it. Regarding rice, we have grown at 6% in terms of the volumes in hybrid rice. Whereas in other areas, the rice acreage has gone up, but it all moved to the varieties, not to the hybrids. That's the reason we have seen a decline. We have remained same.

**Anurag Jain:** Okay, sir. Okay. So basically, we have maintained our share...

**Mithun Chand:** Yes. In fact, we have increased our share in hybrid rice.



- Anurag Jain:** Okay. Okay. All right, sir. And sir, for when the company says new products, for like cotton, we are saying that new products have gone up from 12% to 34%. So what is the definition of new products? These new products are like the products which are launched in last 1 year or last 2 years? What is the definition of...
- Mithun Chand:** Last 2 years, last 2 years.
- Anurag Jain:** Last 2 years?
- Mithun Chand:** yes, you can say that.
- Moderator:** The next question comes from the line of Dhruv Saraf from Bowhead India Fund.
- Dhruv Saraf:** Sir, what is the outlook on the cost of production going ahead? You had a tough season there. So do you believe you've seen the peak in terms of cost increases? Or are you seeing further increases in terms of next season?
- Mithun Chand:** I don't think so because last year, the competition was pretty high among all the companies because most of the companies were down with the inventories and everyone was very aggressive in producing it and the cost of production has gone up. This time, the inventories are there. Everyone is slowing down on the level of inventories. So I don't see any like further rise in some sort of inflation here, but not a significant rise as like what we have witnessed this year that we may not witness in the coming next 2 to 3 years.
- Dhruv Saraf:** And is it safe to assume that the margins can expand from here going ahead given the mix has changed to...
- Mithun Chand:** Even I said in the earlier thing that going forward, the margin should improve.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Thank you, and over to you, sir.
- Mithun Chand:** Thank you. For any further queries, you can call our investor desk and anything. I'll come back with the consolidated one again. Thank you.
- Moderator:** Thank you for joining the call. For any other information, please be in touch with Rama Naidu from Intellect PR. On behalf of Kaveri Seeds Company Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.