NATH SEEDS®

Nath Bio-Genes (I) Ltd.

(CIN L01110MH1993PLC072842)

23rd November 2026

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 Monday 16th November 2026, post declaration of its unaudited financial results for the quarter and half year ended 30th September 2026.

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

Amol Arunrao Gupta

Digitally signed by Amol Arunrao Gupta
Date: 2026.11.23 10:57:35 +05'30'

Amol Gupta
Chief Financial Officer

NATH SEEDS

हर बीज खरा, शक्ति भरा

Nath Bio-Genes (I) Limited

Q2 and H1 FY27 Earnings Conference Call

Event Date/Time : 16/11/2026, 16.00 Hrs

Event Duration : 49 mins 37 secs

CORPORATE PARTICIPANTS:

Mr. Satish Kagliwal

Managing Director

Dr. Devinder Khurana

Executive Vice President

Mr. Amol Gupta

Chief Financial Officer

Mr. Harish Pandey

Sales Lead

Dr. Venkatesh Kulkarni

Research Lead

Mr. Deepika Sharma

Go India Advisors

Q&A PARTICIPANTS:

1	**Darshil Pandya**	: Individual Investor
2	**Jash Shah**	: Jash Diam
3	**Deepesh Sancheti**	: Maanya Finance
4	**Prasad MD**	: Individual Investor
5	**Ashok Trivedi**	: AT Capital
6	**Surya K**	: Poddar Family Office

Moderator

Good evening, ladies and gentlemen. I'm Akash, moderator for the conference call. Welcome to Nath Bio-Genes India Limited Q2 and H1 FY27 Earnings Conference Call. As a reminder, all participants will be in 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 touch-tone telephone. Please note this conference is being recorded.

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

Deepika Sharma

Thank you, Akash. Good evening, everyone, and welcome to the Q2 and H1 FY27 earnings call of Nath Bio-Genes Limited. We have on the call Mr. Satish Kagliwal, Managing Director; Dr. Devinder Khurana, Executive Vice President; Mr. Amol Gupta, Chief Financial Officer; Mr. Harish Pandey, Sales Lead; Dr. Venkatesh Kulkarni, Research Lead.

We must remind you that discussion on today's call may include certain forward-looking statements and must, therefore, be viewed in conjunction with the risks that company's faces. May I now request the management to take us through the financial and the business outlook, subsequent to which we will open the floor for questions and answers. Thank you, over to you, sir.

Satish Kagliwal

Thank you, Deepika, and a very good afternoon to all the investors present. I, Satish Kagliwal, MD of Nath Bio-Genes India Limited, extend you all a warm welcome to our Q2 and first half of FY27 Earnings Conference Call.

Friends, the first half of FY27 has been marked by significant variations in weather conditions across the country, which have influenced agricultural activity, farmer purchasing decisions and overall seed demand. The uneven distribution of rainfall and drought-like conditions in certain regions have impacted the seed industry, with their effects visible across both revenue and profitability.

As we all know, Indian agriculture remains closely linked to the monsoons. According to the India Meteorological Department, rainfall during June ‘26 was 35% below normal, while others reported a deficit of 16%. Besides overall deficit, even the distribution of rainfall across the country was quite uneven, affecting crop patterns and farmers' sentiment.

At a time when our farmers are dealing with increasing climatic uncertainties, the role of the seed industry becomes even more important. We see it as our responsibility to provide farmers with improved seed technology with climate-resilient seeds, which can help them achieve better productivity. This sense of

purpose continues to drive our research and development efforts at Nath Bio-Genes. Our teams remain focused on developing improved hybrids with better yield potential, disease resistance, and adaptability to varying agro-climatic conditions.

Coming to our operational performance. The first half has been a mixed period for Nath. While our overall revenue grew by approximately 13% YoY, profitability was impacted by changes in the crop and product mix. Our cotton business, which has traditionally been the backbone of our portfolio, remains steady, whereas paddy demonstrated relatively better resilience supported by favorable rainfall conditions in northern markets, it emerged as our largest crop contributor.

Bajra, maize, mustard, vegetables, and plant nutrition solutions continued to support our diversified portfolio, although some of these crops also witnessed weather-related disruptions. Our presence across multiple crops and geographies helped partially offset the impact on cotton.

Friends, another important development during the first half has been our inventory position. For the past few years, our production teams have made considerable progress in improving the production efficiency of our important cotton hybrids, which were earlier relatively difficult to produce in large quantities. This allowed us to build up volumes in these hybrids.

Our popular cotton hybrids have performed exceptionally well during the stressed Kharif season, which is just passed by or passing by. And the buildup of inventory would help us encash the increased demand for these products next year. The current agricultural environment has also affected liquidity across the distribution network, resulting in higher receivables and increased working capital requirements. We are closely monitoring collections and remain focused on improving working capital efficiency over the coming periods.

On the international front, our Uzbekistan joint venture, Nath Bio-Genes Central Asia Limited, continues to remain an important part of our long-term growth strategy. We are focused on strengthening our presence in this market while evaluating opportunities in neighboring regions. Looking ahead, the next two to three months will be important as we move further into the Rabi season. The monsoon entered below normal and El Nino conditions are expected to strengthen through the winter. So, soil moisture and water availability will shape sowings going ahead. We are monitoring this closely.

Farmers will be looking to improve productivity and recover from the losses faced during the current agricultural season. One encouraging development is the government's continued support for agricultural commodity prices. The minimum support price for cotton for the year 2026-27 season has been increased by approximately 7%, which can provide support to farmer realization.

Commodity prices are all-time high, reflecting an increase of 30-40% over last year. We believe better crop realization, wherever sustained, can improve farmers' purchasing power and encourage greater investment in quality and premium seeds. This creates opportunity for Nath. Even we already have several drought-and stress-resistant products in our product portfolio across major crops. While the current

agricultural season has been marked by several external factors, our confidence in the medium-term prospects of the business remains intact.

Our immediate priorities will be to improve working capital efficiency, strengthen receivable collection, encash the inventory, and maintain disciplined production planning. At the same time, we'll continue to focus on diversification beyond cotton, strengthening our premium product portfolio, and developing hybrids that can help farmers achieve better productivity. With our strong R&D foundation, diversified crop portfolio and farmer-first approach, we remain committed to building a more resilient business and creating sustainable value for all our stakeholders.

With that, I would now like to invite Mr. Amol Gupta, our CFO, to share the financials and operational highlights for Q2 as well as half year FY27. Thank you very much.

Amol Gupta

Thank you, MD, sir, and good afternoon, everyone. Thanks for joining us today for our H1 FY27 earnings call. Our financial results have been uploaded on the stock exchanges and the company's website, and I hope you have had the chance to review them.

Before we move into the detailed financials, let me briefly take you through the key operational highlights for FY27 of first half. The first half witnessed uneven rainfall and variation in agricultural conditions across our several important market areas, which influenced the performance of different crop categories.

Starting with cotton, which remains one of our major revenue contributor, contributed around 26% to overall sales. Sales volumes stood at approximately 1.06 million packets, reflecting a decline of 2.29% YoY. The performance was primarily influenced by unfavorable weather conditions and lower demand in certain key markets. Our flagship brands, Sanket, Jumbo, and Rana, continue to remain important products in our portfolio.

Coming to paddy, the segment maintained relatively better performance during the first half, supported by favorable agricultural conditions in certain northern markets. Paddy emerged as our largest contributor, accounting for approximately 37% of overall sales, while Bajra contributed around 13%, followed by maize at 6% to the total sales. Looking at the overall crop mix, paddy, cotton, and Bajra together accounted for almost 76% of total reported top line, while the remaining crop categories continued to support our diversification efforts.

Now, coming to the financial performance. As appraised to the analysis community, we prefer to discuss the H1 results, which are compiled after the end of the Kharif season. Coming to the first-half performance for FY27, revenue grew by around 12.6% YoY to INR 3,601 million compared with INR 3,199 million in H1 FY26.

EBITDA stood at INR 410 million compared with INR 461 million in the corresponding period for the last year, with EBITDA margins at approximately 11.4% compared with 14.4% last year. Profit before tax stood

at INR 365 million compared with INR 437 million last year, while PAT for the period stood at INR 349 million as against INR 424 million in H1 FY26. While revenue registered growth during the first half, profitability was impacted by the overall crop and product mix and operating expenses.

On the working capital front, inventory stood at INR 4,062 million as of September '26 compared with INR 4,446 million at the end of March '26. Although inventory has moderated compared with March, it continued to remain elevated, particularly in the cotton seed category, due to higher production of certain key hybrids and lower-than-anticipated sales in this Kharif.

We have already initiated measures to rationalize cotton production and expect to gradually liquidate the excess inventory over the next two to three years. We do not expect any quality issues in the cotton seed, which is sturdy in nature. Trade receivables increased to INR 2,644 million compared with INR 838 million at the end of March '26, reflecting the seasonal nature of our business and liquidity constraints across the agricultural distribution network.

Consequently, net cash flow from the operating activities stood at negative at the end of first half. We are closely monitoring collections and expect working capital to improve gradually as receivables are recovered and inventory levels normalize.

Going forward, our focus will remain on improving inventory management, strengthening collections, maintaining cost discipline, and supporting the growth of our premium and diversified seed portfolio. That concludes my remarks. Now, I would like to open the forum for questions and answers. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad, and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad.

The first question comes from the line of Mr. Darshil Pandya, an individual investor. Please go ahead, sir.

Darshil Pandya

Hello. Am I audible?

Moderator

Yes, please.

Darshil Pandya

Yes, sir. Good evening, and thank you for taking up my question. Sir, my first question is with regards to, as you all know, cotton and paddy are one of the largest contributors. I just wanted to understand, with regards to our other crop portfolio, how are we planning to diversify into this, and what steps are we taking to have much more revenue share coming in from other crops that are Bajra, maize, and mustards?

Devinder Khurana

Let me answer that. I'm Dr. Khurana. If you go through our con-calls and conversation, you will find that I had coined a particular word called NCP crops, that is, Non-Cotton, Non-Paddy crops. So, which included maize, Bajra, jowar to certain extent, wheat, mustard, and, of course, vegetables and plant nutrient supplement.

We have been emphasizing on this for last three, four years now, not jeopardizing the sale of cotton or paddy, but yet enhancing the sale of Bajra, maize, and vegetables with the supplement taking on. So, our focus on this is already there. And like Amol said, this year, maize has given us good uplift, and Bajra has given us good uplift for last two, three years now. So, even when cotton has taken a beating this year, paddy, duly supported by these other crops, is trying to help us to maintain the top line.

Darshil Pandya

Fair. Yeah. Understood. And, sir, if you can just clarify, what steps are we taking to diversify this as in connecting with farmers? Or how do we diversify this of understanding?

Devinder Khurana

I would request to our Marketing Lead, Mr. Harish Pandey, to handle that as to how we are trying to connect more with the farming community for benefit of the community as well as sales. Harish bhai?

Harish Pandey

Yeah. Hello, everyone. See, simply, if you see the overall corn acreage across India, which is more than two lakh metric ton, whereas our sales is very less, right? So, we have more opportunity than others, number one. Number two is the kind of commercial prices are increasing in corn. Last year, at the same time, it was having around INR 1,600-1,700 per quintal. Now it is INR 2,700-2,900 even INR 3,000 per quintal. So, a lot of hopes are in commercial price increase and acreages are increasing.

And this year again in 2027-28, we are expecting at least 20% growth over 2026-27 in corn next year. Why? Because of this commercial price increase. Number two, last year there was decline in corn acreages, right? So, to counter that, what we are doing, we are appointing big distributors across the corn market. Anybody is having any restrict? Shall I continue?

Satish Kagliwal

Yes, please go ahead.

Harish Pandey

So, network strengthening is our main thrust activity, number one. Number two is, we are already strengthening across India our manpower. If you see our new hirings, we are concentrating, focusing more on corn markets and even hybrid paddy and Bajra markets, right? So definitely, we have opportunity in because of commercial prices, we have opportunity because of our less market share and we have opportunities because this year again the corn, acreage will go up against last year.

Satish Kagliwal

Understood. Thank you for answering in detail. One last question, sir. I heard you speaking about Uzbekistan's joint venture performance. Just wanted to know what are our other expansion plans in our neighboring international markets? And if you can just give us more insight on that?

Devinder Khurana

Not yet. Let us first consolidate Uzbekistan itself as a big market. And if we establish there, then all the states around Uzbekistan, like Kazakhstan and Kyrgyzstan and Tajikistan, and maybe finally even Turkmenistan, that is one area which will allow us to expand from this base only. So, we don't have to create joint ventures in all the countries. Uzbekistan is quite friendly. We were invited there by the Government of Agriculture of Uzbekistan, and I think we will just stabilize there first.

Satish Kagliwal

Thank you so much for answering my questions, and all the best to you and your team.

Devinder Khurana

Thank you very much.

Moderator

Thank you, sir. The next question comes from the line of Mr. Josh Shah from Jash Diam. Please go ahead, sir.

Josh Shah

Hello. Am I audible?

Devinder Khurana

Yes, please.

Josh Shah

Yes. I think I might have missed the comment. Like you have said, I just wanted to know that in H1 FY27, revenue grew by 13%, but our EBITDA declined by 11%. So, can you just state the key factors behind the divergence between the revenue growth and the profitability?

Devinder Khurana

The basic factor was the market conditions in which we had to pass more margin to the trade through schemes and such other measures to ensure that the top line is maintained. Please understand that if the top line is maintained, the bottom line will always follow. If not this year, then maybe in the second half or next year, definitely. But if we lose the top line, we tend to lose the bottom line, in any case.

This year, being a specific year wherein there were market liquidity areas and there were issues because of the war and some of the things actually affecting all over, if you go through our quarterly, you will find that we have given at least INR 5 crores additional to the market for ensuring the top line. That has stayed away affected our EBITDA. But the result of this would be evident in the times to come because our market has been maintained and protected.

Josh Shah

Got it. And I also wanted to know that in our margins, the EBITDA margin has declined from 14.4% last year to 11.4%. So, can you just state the time line for the margin recovery?

Devinder Khurana

Then why do you need a time line? What I'm saying is if the top line grows, EBITDA will follow back. This was a unique year. This is not a perpetual system in which the EBITDA, once it falls down to X percent, it doesn't go up again. In our system, we do see plus and minus in EBITDA as well as in the entry margin. But I think it should recover by end of the year because our Rabi crops are also reasonably strong.

Josh Shah

Got it. And the last question I just wanted to ask that, in the company's R&D pipeline, so can you just say that which are the key products, like, are there particularly across the cotton, paddy, maize, and Bajra?

Devinder Khurana

So, we have Dr. Venkatesh Kulkarni, our R&D Lead. Doctor, can you just guide the team on that?

Venkatesh Kulkarni

We have our well-performing hybrids in cotton called Sanket and Rana. Sanket is one unique hybrid which has passed a high rainfall year and as well as drought year. And in both the places, it has been performing very well. It's one of the most climate-resilient hybrids.

The similarities with Rana in our portfolio. Then in hybrid, paddy, Tata, Tata Gold, and Gurukripa are our hybrids, which are running very well now. Tata Gold has been performing very well, and its volume is increasing. In Pearl millet, our Super Surprise is one which is going up. And we have introduced two more hybrids, which have performed very well, and they are going to be in volume-building phases.

Incidentally, we have identified one mustard hybrid, and which is going to go for production next season. So, in addition to that, there is a research paddy thing, and we have identified two more new varieties to be introduced because it's very competitive now. Our performance is key in the research paddy also. In field crops, these are the products that we are working on. Thank you.

Josh Shah

Got it. Thanks a lot.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. The next question comes from the line of Mr. Deepesh Sancheti from Maanya Finance. Please go ahead, sir.

Deepesh Sancheti

Yes. Hi. Am I audible?

Devinder Khurana

Yes, please.

Deepesh Sancheti

Now, despite the government initiative to curb illegal cotton seed sales, why does the issue continue to persist? And how is the company protecting its market share against these smaller, unorganized players?

Devinder Khurana

I think I would request Mr. Satish Kagliwal, our Managing Director, to address this.

Satish Kagliwal

Yeah. So, first thing is, we hardly see any effort by government to really stop this menace. Yeah, so this menace continues because government is not taking enough steps to control it. This is one. Number two, the number two question was that how we try to protect our market share against a lot of small players trying to bring in illegal BTC.

Today, we have our own approach of promoting our own hybrids vis-a-vis all the products, not only illegal BT cotton, but also all legal products. We sell our products on the merit of our product, and our product is far superior. In different geographies, different products are superior, and that's how we try to protect

our share. We have to accept the competition. We also accept that this is going to be there. And this is one approach.

Second approach is, we continue to make efforts with the government to where the government should play an active role in curbing the menace, not only to better share, but also to protect the farmers from getting a suffering because of the poor yield that they get. Our experience and our feedback is that all the farmers who purchased this, most of them don't get a proper yield. Their quality is not checked. So, they continue to be really, really unreliable kind of a source for the farmers. Poor farmers should be protected from this kind of a thing.

So, we continue to make efforts through associations, individually also, to tell the government to take effective steps to control this. But our experience in the past has been that they neither promote nor do they control. That's the way. So, I hope I answered your question.

Deepesh Sancheti

So, how much of the company's cotton business is currently impacted by this competition from an illegal and unapproved?

Satish Kagliwal

In legal, there are no data, but there are estimates of 25%. 20-25% of the total sales is accounted by this illegal BT sales. The majority is, let's say, happening in Gujarat and also in Maharashtra, Karnataka, and Telangana.

Deepesh Sancheti

So, company-wise, you won't be able to tell me that, how much of our sales are being affected by that?

Satish Kagliwal

No. Because that is not possible. We only can estimate how much is the illegal BT sale. That also is a challenge for us to know because there is no record. We only have our own ways to find out. And we keep on passing on this information about the sale, about the quantity, about the movement of the seeds to the government. And last year, we did see some action by the government in terms of promoting educating farmers against use of illegal BT cotton seeds. But the impact was not visible.

Moderator

Thank you, sir. I believe Mr. Deepesh has left the queue. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. The next question comes from the line of Mr. Mahesh Tolani from Go Quarter. Please go ahead, sir. Mr. Mahesh Tolani, please go ahead with your question, sir. There is no response from Mr. Mahesh.

Devinder Khurana

Yeah. Go for the next one. It must be disconnected.

Moderator

The next question is from Mr. Prasad MD, an individual investor. Please go ahead, sir. Mr. Prasad MD, please go ahead with your question, sir.

Prasad MD

Are you able to hear me?

Moderator

Yes, sir.

Devinder Khurana

Yes, please.

Prasad MD

Firstly, I would like to thank management for their efforts to meet the INR 500 crores sales target as guided earlier. So, if the disappointment is management also guided for an INR 100 crore EBITDA, if the profit has grew same the sales in recent past years. So, the profit would have come around INR 70 crore, which didn't happen. So, I would like to hear from management how, from here onwards, you guys will take up to reach INR 100 crore EBITDA.

Devinder Khurana

You are looking for INR 100 crore of, not EBITDA, the net profit, okay? Because INR 100 crore EBITDA -- no. There's a lot of difference, Mr. Prasad. So let me clarify that now. We are also desirous of touching that magical figure of INR 100 crores of profit margin which INR 500 crores of --

Prasad MD

I agree, you guys are maintaining from long time.

Devinder Khurana

Hello, Prasad. You asked a question. Can I answer that, please?

Prasad MD

Yes. Go ahead.

Devinder Khurana

Yes. Thank you. So, we are also looking for that kind of magical figure of INR 100 crores of the net profit. But having a top line of INR 500 crores net sales and having a net profit margin of INR 100 crores works to around 20%. That kind of margins are currently not becoming available in the seed market, in the agriculture market. The reasons are galore. The cost of production is going up, multi bound every year.

The land area for production is reducing across various states. The trade expects better margins to clock better sales. So, hence, clocking our net profit margin of around 20% is becoming a distant dream, but we are still aiming for that INR 100 crores of bottom line, which may reach once we cross around INR 750 crore. But if it comes earlier, nothing like it. But as I made it a statement earlier, that as long as the top line is growing, the bottom line will automatically follow. If not today, then tomorrow. But we agree with you that we are also desirous of making that figure. Let's work towards it.

Prasad MD

When we can expect? Because it's already less than five, six years, we are listening the same words from management, and we didn't see improvement. So, when we can expect?

Devinder Khurana

I think you were saying five, six years, and maybe you must be following up. Have you not seen a growth in the top line? Say yes.

Prasad MD

Top line, I told you. I agree with you.

Devinder Khurana

Fair enough. So, I gave you reasons as to why the bottom line is not moving commensurately to the top line. So, nobody will be able to put a time frame as to whether we will reach INR 100 crores of bottom line in six months, 1 year, 6 years, 60 years, no. But, in times to come, hopefully, I'm trying to still link it to the top line. So, if we cross around INR 7 odd, I think we should be able to get a INR 100. So, I'm only looking at a 14% net margin, which I think is achievable easily.

Prasad MD

14%, okay. So, let me put this way. It will be even more clear for everyone. So, I heard from you in multiple calls saying that you guys are paying more to the customers, right, in terms of incentive.

Devinder Khurana

Yes.

Prasad MD

Is there a possibility to reduce that or improve something like that?

Devinder Khurana

There is a possibility to reduce what margins you pass to the trade, but then that would be at the risk of your top line, which we are unable to digest.

Prasad MD

Yes, thank you.

Moderator

Thank you, sir. The next question comes from the line of Mr. Ashok Trivedi from AT Capital. Please go ahead, sir.

Ashok Trivedi

Hello, sir. Am I audible?

Devinder Khurana

Yes, please.

Ashok Trivedi

Thank you, sir. Sir, my first question was that the cottonseed volumes declined by almost 2.3%. So, it came to about INR 10.6 lakh in H1. Just wanted to get a bit of color on, how much of this decline was attributable to unfavorable weather conditions and how much was attributable to the competitive pressure.

Devinder Khurana

There is no competitive pressure, provided a company has good products, and we have good cotton products, sir, namely Sanket, and Jumbo, and Rana. Are very well accepted. They give good yield. As a result, the competition of the market will always be there. But if your product performs well, you will be able to ride over that.

But what you cannot ride over is the monsoonal pressures. So, this year, Maharashtra has faced issues. Maharashtra downward has faced certain issues, even somewhere towards Gujarat and all that. So, cotton has marginally declined by only 2.23%, which is fine. And it can be attributed basically to the monsoonal vagaries, not to the competition.

Ashok Trivedi

Understood. And, sir, the second question was, what is the company's outlook for cottonseed demand and volumes over the next two years?

Devinder Khurana

Harish Bhai, please?

Harish Pandey

Yes. So, next year, cotton, we are expecting to grow by 20-30%, because the commercial prices are very good. If you see last year, it was around INR 7,500, and now it is going in between for INR 9,500-10,500. So, significant growth we are expecting, number one.

Number two, if you see overall nylon prices and other thing, cotton prices are getting increased because of international markets also. So, definite, we will get the farmer support. They will definitely encourage to buy more cottonseeds and grow more cottonseeds. So, our expectation is to cotton will grow by at least minimum 20-30% next year. That's it.

Devinder Khurana

Understood, sir. Thank you.

Moderator

Thank you, sir. The next question comes from the line of Mr. Surya K from Poddar Family House. Please go ahead, sir.

Surya K

Hi, sir. Thank you for the opportunity. So, like you mentioned, that we have been trying to enter a lot of international countries also. So, can you give us a favor of how we are performing?

Devinder Khurana

Not clear. Your voice is not clear, sir. Your voice is not clear at all.

Surya K

Yes, sir. I was talking about our export revenue share. How is it going, and what timelines can we see a better maturity in inaudible ----------

Devinder Khurana

Uzbekistan is technically not an export business. Uzbekistan is basically a joint venture, almost 90% held by us. And that is to establish cotton, non-BT and BT, local products and our products in those areas where we are cotton-specific. So, that is separate.

As regards exports, we have always maintained that our exports are minimal, to the extent of not more than INR 5-7 crores or INR 8 crores every year, less than INR 10 crores in any case. For that, you must understand that we need to export our seeds only to those countries where the agro-climatic conditions are same.

We had exports in big way to Pakistan. It went down. We had good exports in Bangladesh. It went down. And now we are basically exporting to Egypt, and we were exporting to Sudan, it went down. But we are not banking on exports in our top line. It's just that we would like to continue to expand in whatever way possible.

Surya K

Understood, sir. And, sir, as you mentioned about a target of achieving a 14% net margin in the coming years, what is the strategy or game plan that you have to achieve this kind of a number, sir?

Devinder Khurana

See, there are certain products which give us good margin. Like, a hybrid veggie gives us good margin. Then maize also gives us reasonably good margin. Vegetables give us good, and then our nutrient supplement, PNS, that also gives us good margin.

So, by change of product mix, by creating product demand, by venturing into new areas, new territories, which Mr. Pandey is already doing on constant basis, the top line will rise, giving a boost to the bottom line also. As far as the market schemes are concerned, this year was, again, a little special year wherein we had to give a little more. Next year, they'll come down to around 26%, 27%, 28%. We save 4% there also. So, the bottom line rises.

Surya K

Understood, sir. Thank you.

Moderator

Thank you, sir. We have a follow-up question from Mr. Deepesh Sancheti from Maanya Finance. Please go ahead, sir.

Deepesh Sancheti

Yeah, I got disconnected. Just wanted to understand how did the uneven rainfalls and drought-like conditions across key agricultural markets impact the company's H1 performance? And paddy emerged as the largest contributor, accounting to 37% of the sales. What is driving the improved contribution of the paddy segment also?

Devinder Khurana

I'll just add a line here. We have [inaudible 00:40:06]

Deepesh Sancheti

Your voice is breaking. Sir?

Moderator

Sir, your voice is breaking.

Devinder Khurana

I'm using the same line. Anyway, so what I was saying was that uneven rainfall, somewhere less, somewhere very less, somewhere good, somewhere very good. So, that has helped us in paddy sales and all that. Cotton, because it was not as good already in product. The seed had already been sold.

So, there is a marginal decline there. But then this is a natural process in any seed company in an agriculture business. So, hopefully, this will not happen. Or, if it happens, we are spread, so we'll be able to cover up.

Deepesh Sancheti

Right. And also, wanted to understand, this quarter, we have spent more on the interest. This is about INR 6 crores compared to the average run rate of about INR 3.5-4 crores. Is there a particular reason for it, or is the cost of capital has increased? If you could just throw some light on it.

Devinder Khurana

No, cost of capital has not increased. We are still getting very competitive rates from our lenders, including the bankers. But because of the stock buildup, we needed more funds. So, we have taken more money from the banking channel, working capital. Hence, the rise in the interest overall. That is another thing which has beaten my net profit margin or net profit, not margin. Almost about INR 3.5-4 crore has gone more as interest only.

Deepesh Sancheti

What is the cost of capital? I think just mentioned that.

Devinder Khurana

All put together, maybe around nine average.

Deepesh Sancheti

Around nine average, okay. And is there any update on the Uzbekistan revenue also?

Devinder Khurana

Uzbekistan, in March, we clocked the INR 15 crore top line, and that was given in the consolidated results. If you go through the consolidated results of H1, you'll find INR 9 crore of sales attributed in the consolidated results to Uzbekistan.

Deepesh Sancheti

Right. But you also mentioned in the March quarter that this is a USD 500 million market. Any update or any guidance for this year or maybe FY2829?

Devinder Khurana

Not yet. Your point is very well taken, but not yet. Maybe next year, hopefully. What happens is that this is at a nascent stage. I would call it an adolescent stage wherein it's just trying to stand up. And first two, three years, we just were investing. You may be happy to know that over last two years, we have not sent even USD 1 to Uzbekistan for their expenses, and they are able to manage on their own. That itself was a good relief for me. And Uzbekistan, we expect that this is going to be a very wonderful market.

But until the Bt is incorporated into the local products there, which takes time, we cannot expect the bounce in the sales in Uzbekistan. It may take some time. Maybe Dr. Kulkarni will be able to throw some light on that as to when can our Bt be sold in, Uzbekistan. Doctor?

Venkatesh Kulkarni

Thanks for acknowledging me. In fact, I would like to add, Nath Bio-Genes Central Asia has signed agreement with the government of Uzbekistan to convert their local varieties into a Bt-GT versions, and we are on the way to it. Our first soft launch will be on 2028. That will be right. In addition to that, I would like to say that this year, our variety of performance was very good. We introduced two more varieties there, and we expect them to grow, in the coming years. And the season start by March middle, and we are expecting our sales to be very good this year.

Deepesh Sancheti

Can you throw some light on the EBITDA margins also which is expected from the Uzbekistan venture?

Venkatesh Kulkarni

Khurana, sir?

Devinder Khurana

Uzbekistan venture EBITDA margin, I think, at this juncture, it is a little difficult because we are only recovering losses that we made in last first two or three years.

Deepesh Sancheti

I'm not talking about expected margins. But since we have ventured out into this market, either it is going to be a huge uptick on our sales or it is going to be a huge uptick on our EBITDA margins. So, I just wanted to understand, what are we looking at?

Devinder Khurana

Fair enough. You see, like I said, the EBITDA margins will become jumping upwards only if the Bt cotton is sold, okay? As of now, the EBITDA margins are minimal. They are not even more as good as we are. So that's why I said at this juncture, I'm not commenting on that for the simple reason because I'm unable to predict as to [inaudible 00:45:33].

Deepesh Sancheti

Your voice is not clear.

Moderator

Sorry, sir. Your line is actually not clear. Hello, sir?

Devinder Khurana

The prices in Uzbekistan are also government-controlled. The land in Uzbekistan is also government-controlled. So, it's a difficult market. And maybe by end of this year, once we consolidate the March with us, we should have a better picture. We are able to [inaudible 00:46:15] Hello?

Moderator

Sir, your voice was completely broken.

Satish Kagliwal

Is my voice clear?

Moderator

Yes, sir.

Satish Kagliwal

Yes. So, see, your question is to really predict as to how much of contribution it can make to the margins overall. As Mr. Khurana already said, the business is just growing, and we have just planted the seeds there, so it will grow.

So, the margins are a little bit uncertain as of now, but they are good. Volume increase also will be good. Only thing is it depends on how the growth takes place in next two years. Because it's nascent, because it's a total contribution to the top line as well as bottom line from there, it's a separate JV altogether. Today, you should not be counting too much of that unless we get a breakthrough, which we expect soon, okay?

Deepesh Sancheti

Thank you so much, guys.

Satish Kagliwal

Thank you. All the best.

Moderator

Thank you, sir. There are no further questions. Now I hand over the floor to the management for the closing comments.

Devinder Khurana

At the outset, let me thank you once again for all of you being there. I can understand it is month and a half post the trading hours, but we were running short of time this time. Next time, we'll make it a little earlier. Two things I would like to say.

One is that currently, by ensuring that our presence is pan-India and by ensuring that our presence is pan-product, we are always able to maintain our top line, which, to the point of repetition, I would say is a good sign because if the top line stays, the bottom line follows. To ensure top line, we have to spread

ourselves thin. We have dealers and distributors against which our stocks and debtors are spread, which takes a lot of effort to recover, but it maintains our top line.

Secondly, it helps us to maintain our product presence, which is also very important in our kind of business. So, we, along with you, hoping times to come, we are able to put in all our efforts for others. It's a matter of achieving goals and targets that we have set upon ourselves internally. And hopefully, by the time we close March, I'll be able to give you something better than H1, which has been reasonably good, but not up to that. Thank you, Lord Varuna and Indra. Thank you very much.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. On behalf of Go India Advisors, we thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you, and have a pleasant evening.

Satish Kagliwal

Thank you.

Note: 1. This document has been edited to improve readability

2. Blanks in this transcript represent inaudible or incomprehensible words.