



NATH SEEDS®

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

(CIN L01110MH1993PLC072842)

27<sup>th</sup> April 2023

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 24<sup>th</sup> April, 2023, post declaration of its audited financial results for the quarter and financial year ended 31<sup>st</sup> March 2023.

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) Ltd.**

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“Nath Bio-Genes (I) Limited  
Q4 FY 2023 Earnings Conference Call”  
April 24, 2023



**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**

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

**Moderator:**

Ladies and gentlemen, good day, and welcome to Nath Bio-Genes Q4 FY '23 Earnings Conference Call 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 star then zero 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, Faizan. Good afternoon, everyone, and welcome to Nath Bio-Genes Limited's earnings call to discuss Q4 FY '23 results. We have on the call Mr. Satish Kagliwal, Managing Director; Mr. Devinder Khurana, Chief Financial Officer; Mr. Harish Pandey, Business Lead; and Mr. Venkatesh Kulkarni, Research Lead. I 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 risks that the company may face.

I will now hand over to Mr. Kagliwal for his opening comments. Over to you, sir. Thank you.

**Satish Kagliwal:**

Thank you, Deepika. Good afternoon, ladies, and gentlemen. Thank you all for your joining us today for our Earnings Concall. I believe that this sector is now on the best growing track. We have been very happy with our annual performance, which has seen the upward trajectory. Our balance sheet is further strengthened, and we have had positive operating cash flows.

Nath Bio-Genes have always aspired to be a strategic partner to our farmers by helping them overcome challenges of low yield, waste and disease infestation and vagaries of monsoon. Over the last few years, we have invested heavily in research and development, especially to innovate seeds, which are dream products for our farmers.

It has not been an easy journey but our customer-centric approach, combined with a large, characterized collection of germplasm and gene and date profiling, focus on biotechnology, conventional breeding integrated with molecular markers helped us achieve what we like to call a dream product basket. This dream product basket will form the basis and focus areas of all of our future growth. This has also formed the basis for effective product cycle management that will make the sales and marketing updated with new products periodically.

The key constituents of this basket are our top-ranked cotton hybrid SANKET; most popular bajra seed in the market, Super 27; 3 fast-growing paddy hybrids, visibly Dhoom, Dhadak, and Dhadak Gold; and unparalleled hybrid tomato seed Akhand; NCH 495, which is a unique chili hybrid that is hot pepper, first ever product in the industry showing high tolerance to black thrips. Besides many more other winning products in crops like maize, cucumber, bitter gourd, etc.

Friends, we'll continue to build a pipeline of exceptional products and use our well-invested pan-India distribution network along with our result-oriented proven sales team to reach our products to farmers at right place and time.

Before I hand over to Mr. Khurana for his comments, I would like to say that just as a pioneer seed and small seed, has its power and potential to transform into a mighty tree, we are confident that our power-packed customized seeds will transform our company into a leading seed company very soon.

Thank you. Over to Mr. Khurana.

**Devinder Khurana:**

Thank you, sir. Good afternoon, ladies, and gentlemen, and thank you for joining us today. Our earnings presentation has been uploaded on the exchanges and I'm sure you would have seen the same. As Mr. Kagliwal pointed out, after two very difficult COVID years, we are getting back on track. Our revenues are pretty much back to the pre-COVID levels. And financial year '23 is around INR301 crores compared to INR278 crores in the last year.

Before I discuss the financial performance in detail, I would like to talk about the operating highlights. Our focus on balancing the product portfolio remains intact as our NCP, that is non-cotton, non-paddy portfolio contribution has enhanced to 45% from 41% last year. We plan to continue to give impetus to this segment, which has decent margins to make NCP as around 50% of our topline with cotton and paddy contributing to the balance 50%.

We sold almost 13.80 lakh cotton packets in FY '23, which is an increase of around 16% year-to-year. This reiterates my telling you that we will continue to focus on cotton in a stable fashion. Our highly ranked cotton seed SANKET has been a key driver of this performance, and it continues to be a top-ranked cotton seed in the country. Paddy was generally maintained in volume and value. Our focus to promote hybrid paddy with better margins is also on track.

Bajra segment delivered a strong growth in value and volume terms both with the volumes increasing by 58% and the value increasing by 66% to INR32 crores. Wheat segment had a unique year with zero sales returns. It grew in volume by 23% and value by 36%. Vegetables segment also grew in value by 16% to INR33.49 crores, though volumetrically, it declined by 13%. This means our focus on high-value, high-margin products delivering a better price per kg is on.

As Mr. Kagliwal pointed out, our dream product basket is delivering ahead of our expectations and the market feedback is good. I would also like to add here that we have entered into a joint venture in Uzbekistan with 90% shareholding. The base object of this company is cotton seed production and marketing, subsequently venturing into other crops. We have presented the results as standalone and consolidated both. However, this year, the movement in Uzbekistan is almost nil this being the first year.

I will now discuss the financial performance in detail. Revenues are back to pre-COVID levels, and we clocked INR301 crores. We continue to maintain our gross margin at 50% plus. Our PAT has increased by almost 1.6x to INR35 crores. Ironically, the advanced bookings this year grew by 67% over financial year '22. This reflects our product acceptance in the market. We continue to be a zero-debt company with no long-term loans.

The working capital continues to improve and has reduced by almost 50 days this year. The inventory turnover reduced by 37 days. Debtors are maintained at 118 days, but I would like to

point out that in case we reduce advanced booking from receivables, it would be a debtor turnover of 38 days only. The company also clocked a very resounding positive operating cash flow of INR38.36 crores.

The Board has once again recommended a dividend of 20% to the shareholders. This would be third year in a row. Finally, we are confident of a good growth this year and are working towards the 10% to 15% topline growth while maintaining our gross margins. We would continue to have a steady growth in cotton and paddy. However, we continue to plan to give impetus to other field crops and vegetable for enhanced growth.

With this, I would like to open the floor for questions.

**Moderator:** The first question is from the line of Naman Bhansali from Perpetuity Ventures.

**Naman Bhansali:** Sir, two questions. First is relating to the El Niño formation. There have been reports that due to El Niño formation, monsoon will be a little weak. So, what impact do you see of the same on the demand for seeds? And second question is that what have been the vegetable segment contribution this quarter? Which were the key products, and which performed well in this segment I just wanted to get a picture on that.

**Devinder Khurana:** For the first question, Satish sir, yes, Dr. Kulkarni, please. El Niño impact on our company.

**Venkatesh Kulkarni:** Friends, there are reports of El Niño and then there are counter reports also about El Niño not being bad. So, I would like to tend to think positively, but in any case, we have heard such situations of El Niño coming in, and we -- the Indian farmers are -- have experienced this.

In terms of kharif cropping pattern, not much changes due to El Niño or La Lino. So I think there will only be little bit of delays in planting based on the delayed rainfall. But otherwise, the cropping pattern generally remains the same. And as far as our company is concerned, we are very confident that our demand in cotton, which is again cropped in kharif will remain robust and very positive. That's about the first question.

About the second question on vegetables, last quarter was, I would say, generally, okay, not that good. The reasons could be many. The amount of seeds was not that much high in the last quarter, although expectation was there that the demand should pick up. But maybe due to market crisis, due to various other reasons and also this, unseasonal rains also affected the farmers' confidence of planting high-value seeds.

So, the last quarter was not that good, but we continued to have good sales in our products like our specialty premium bhindi and also chilis, especially chilis in the month of March, hot pepper, so that continues to grow. So those were the two top-ranking products in the last quarter for visible sales. Thank you.

**Devinder Khurana:** I would like to add here that in our, since I keep requesting my investor community or the analysts to not to go on Q basis because we are unable to fathom the quarterly results based on the sales return and the season flowing from one quarter to another. But we had around INR72 crores coming up in the second half. Out of that around INR20 crores was vegetable only. So it

was almost around say 25% plus. So vegetable is definitely our mainstay. And it is going to grow even faster. This year also, like I said earlier, that we have had a vegetable up of almost about INR33 crores by 16%.

**Naman Bhansali:** Thank you and all the best.

**Moderator:** The next question is from the line of Kashvi Dedhia from Centra Advisors.

**Kashvi Dedhia:** Sir, I have two questions. The first one will be on what is the update on illegal BT? Are there any headwinds? And the second one is on the market share, what is the market share for illegal cotton?

**Devinder Khurana:** Satish, sir?

**Satish Kagliwal:** Harish, will tell.

**Devinder Khurana:** We have Mr. Harish Pandey, who is our business lead, and he handles this on a day-to-day basis. I would request him to answer on illegal BT.

**Harish Pandey:** So I'll talk about illegal BT. The percentage of illegal BT comes around 18% to 19%, right? The majority in Gujarat and Maharashtra followed by Telangana and Andhra. So this year, it won't impact much because the last year performance of the HTBT have not received well. So farmers have received the region. So this year, we will get the advantage because these products performed well. That's all from my side.

**Kashvi Dedhia:** Okay. And what is the market share for that?

**Venkatesh Kulkarni:** Can you come again, please?

**Devinder Khurana:** Total cotton is around INR4.5 crores. Out of that it is coming to around INR70 lakhs to INR80 lakhs.

**Harish Pandey:** INR80 lakhs to INR90 lakhs.

**Devinder Khurana:** INR80 lakhs to INR90 lakhs.

**Moderator:** The next question is from the line of Darshil Jhaveri from Crown Capital.

**Darshil Jhaveri:** I wanted to ask about what we said in the opening commentary about the growth, sir. Sir, is the 10% to 15% growth a bit on the conservative side or because we are having good traction...

**Moderator:** Mr. Jhaveri, sorry to interrupt you again. Sir, the audio is breaking, sir, from your line.

**Darshil Jhaveri:** Hello, is it better? I'm sorry for that. Hello?

**Devinder Khurana:** We just heard that you said that 10% to 15%, is it conservative? I can answer that, but you were also adding something else to that.

**Darshil Jhaveri:** Yes. So first of all...

- Moderator:** Mr. Jhaveri, I request you to rejoin the question queue, sir.
- Devinder Khurana:** Yes. In the meantime, I will answer the question that he's asked, which was audible. When we say it is 10% to 15%, we are just trying to be practical. We would like to say that we wanted to do it, we have done it maybe a little more than going back and saying sorry.
- Moderator:** The next question is from the line of Aditya Sen from Robo Capital.
- Aditya Sen:** So I've got a couple of questions. So the first one would be, we got a guidance that we are increasing the dealer network from 7,000 to 20,000. So where are we presently in this scale? Have we made any progress?
- Devinder Khurana:** Sorry, where did you get this guidance from? Did I?
- Aditya Sen:** Actually, this is on the annual report. I've seen that.
- Devinder Khurana:** On the annual report. Okay. Actually, technically, what is happening is we have tried to make 3 verticals of field crops, including cotton, and vegetable crops and plant nutrient supplement. Last year, we found it was becoming a little untenable. So we have merged the field crops as well as the PNS, that is the plant nutrient supplement Win-Chi-Win and others, okay? So now we are - - company is currently operating 2 verticals, one vegetable and one nonvegetable, I would call it.
- So there, we already have around 4,000, 5,000, 6,000 dealer distributors -- distributor rather. We don't like to sell to the dealer level because it becomes too cumbersome. So we are trying to expand our territories on need-based basis. So currently, we don't plan to go to 20,000. I think there is some misquote somewhere. Mr. Harish is already here. He is expanding into the territories, which are uncharted where we have not yet been before and trying to enhance our business.
- Aditya Sen:** Okay. So there's no plan as such to expand the distributor network?
- Devinder Khurana:** No, I never said that. I said we are expanding need-based distributor network.
- Aditya Sen:** Okay. But there's written explicitly that we are improving our direct retail to reach over 20,000. So that's why I raised this question.
- Devinder Khurana:** We do not plan to go to retail business. We will stay with the distributors only. Okay?
- Aditya Sen:** Okay. And regarding the revenue, we had some nice targets a few -- 2 years back in the Q4 '20 con call also, you said that INR350 crores, INR400 crores revenue will be possible. So any guidance on revenue front for this FY '24 or FY '25?
- Devinder Khurana:** I have already said -- listen, if you are comparing our targets with pre-COVID and saying why the company could not go to INR400 crores, INR500 crores, I think the whole world reeled under this. So let's please keep that in mind. There is no point is falling back to my 2020 conference call and say that we were expecting. That time neither you nor me nor the world was expecting COVID, right?

Two seasons of COVID, excesses sales return, the company has bounced back. I think we have done a good job. Secondly, coming to the growth expected for the '24, I have said we expect a top line of enhancement of around 10% to 15%. We will maintain that. If we go beyond that, we'll be very happy.

**Aditya Sen:** Sir, I just asked for the forward guidance. I didn't ask why we didn't achieve that INR350 crores, INR400 crores number. I already know that...

**Devinder Khurana:** You mentioned in 2020, you said INR400 crores, INR500 crores. That is why I had to go there. Otherwise, I'm fine with whatever guidance I have given, okay?

**Moderator:** The next question is from the line of Niket from Grubrr systems.

**Niket:** I have 2 questions for you today. One, Government of India and United Nations have been aggressively promoting millet since it is supposedly great crop for fighting climate change vis-a-vis paddy and other crops. So how is our company positioned to take this opportunity? And the second question is what is our company's vision? That is where do we see a company in the next 3 to 5 years' horizon? Thank you.

**Devinder Khurana:** I would request Dr. Kulkarni to handle the millet part and vision can definitely be handled by the boss. Doctor Sahib?

**Venkatesh Kulkarni:** This is a proud moment for Nath Bio-Genes India Limited because our pearl millet is one of the most popular pearl millet hybrids in the market. Super 27 is a pearl millet. Before declaring the Millet Year, we were already in the Millet Movement of India. Our pearl millet breeding and sorghum breeding are very strong. So in the market our Super 27 is one which is actually showing the best performance. And it is highest price millet where farmers are paying for us because of its performance. We are also having the better pipeline for various maturity, and we are working on that.

In addition to that, we are releasing high-zinc, high-iron pearl millet, which are going to be nutritious also. Not only food security, we are also working on nutritious security of the farmers and we are part of -- very much part of the Millet Movement. Thank you, sir.

**Devinder Khurana:** And regarding vision, I would request Satishji to please...

**Satish Kagliwal:** See, it's very, in such growing industry, which is with so many crops and so many geographies to support, our vision is to cross INR500 crores of topline in three years' time. That's the basic, very simple statement, I would say. But this is taken as a forward-looking statement. And this is what our vision is, okay?

**Moderator:** The next question is from the line of from Tarang from Old Bridge Capital.

**Tarang:** I just wanted to refer back to your opening comments where you gave a hint on advanced bookings and corresponding better turnover to be 38 days instead of 118 days, which if I were to calculate on the basis of what's being seen on the balance sheet. So just wanted to get a sense



are there any specific products where you're seeing more traction? Or is it across your portfolio? And I think you said it is versus FY '22. Would it mean -- is it versus what we saw in March '22?

**Devinder Khurana:** Advanced bookings is something which comes to us based on the products which are demanded into the market? And the people expect that they may not be available in the demand, there's going to be a demand/supply gap. So we get advanced booking. It's mostly cotton with other crops also joining here and there.

When I said comparison of advanced bookings vis-à-vis last year, it is FY '22 to FY '23. There has been a good jump, a good growth in advanced bookings. As regards debtors, I said that because advanced bookings come from the same customer from which he owes money to us. So technically, it is an asset and liability getting squared off. We don't do it in the balance sheet because we need to keep it separate for official and audit reasons. I was just giving that for the sake of calculation.

**Tarang:** Sure. So would it be fair to presume that about INR55 crores to INR60 crores is the advance bookings number?

**Devinder Khurana:** Yes, I gave that number, what was the number, yes -- advanced bookings. Yes, it is around INR55 crores, INR56 crores.

**Tarang:** Yes. Is that also the reason why your inventory levels are lower as of March '23 versus what we saw in the previous years?

**Devinder Khurana:** Inventory levels, and it got automatically in half some time in '21 pursuant to COVID and excessive sales return and all. I made a statement in one of the earlier con calls that we are reducing on production, making it only need-based so that our existing stocks can also be liquidated into the market. This year has been a good year wherein we have been able to liquidate quite a few of the '21 stocks.

So as a result of the inventories going down, the inventory is likely to go up because our sales next year are projected to be more. But then on an overall fashion, the inventory has definitely gone down by 37 days.

**Tarang:** And the final question, other than the advanced booking and the product that you might have sold off for this season, is there any more potential for write-offs in the business?

**Devinder Khurana:** No, definitely not.

**Tarang:** Okay. And last, if I look at FY '23 and I compare it to the pre-COVID year of FY '21, right, or a good year of FY '21, where you have done similar revenue line. We see your selling and distribution expenses increased materially versus what it was in FY '21. What could one attribute this to?

**Devinder Khurana:** There are two ways of marketing. One is you give the least credit to the trade. And then the products, they demand, and they go for themselves. But when we want to enhance the distributor line, when we want to enhance the top line, we prefer to give a little more of the credit to the --

as a selling expense or schemes to the distributors so that our top line can increase. What our marketing people do is they also try and enhance the MRP or the selling price to partially cater for this. But yes, we have increased our selling expenses from around 17%, 18% to almost about 23% now.

**Moderator:** The next question is from the line of Amit Sanghvi, an individual investor.

**Amit Sanghvi:** Sir, I have one question. In the financial year '22, we have written off advance fees to the tune of INR88 crores. And at that time, in that earnings call, it was given to understand that it is likely to be recovered in the coming financial years. So I just wanted to know the updated status of those advances. It was around INR88 crores, INR89 crores.

**Devinder Khurana:** Yes, this was precisely INR88 crores-something. Secondly, if you go through my con call briefing on this issue, it is explicitly mentioned the reason for the same. So I'm not going back into that. Coming back to your question that it was given to understand that they will be recovered in the financial year.

Kindly, please understand nowhere did we say that it will be recovered in this financial year. The reason behind INR88 crores is farming community, they are neither commerce and they are not distributors. They're basically farmers. And to push the farmers, when we are trying to get our production from the same areas, it's a little difficult. This year, there has been hardly any recovery, although we are trying to recover part of it through the production program given to the same people, trying to recover 20%, 30% from that.

So I'm hoping that next year something else may get recovered. But we have already taken the beating in profit and loss account. So that will not suffer any more because of this. And somebody asked me anymore write-offs, I said, definitely not.

**Moderator:** The next question is from the line of Darshil Jhaveri from Crown Capital.

**Darshil Jhaveri:** Sir, I actually just -- I think you've been very clear about the revenue. So I would not want to ask about that, sir. But our margins, could we ask benefit of premiumization or operating leverage as our revenue increases. So what would be the steady-state margin that we would be targeting, sir?

**Devinder Khurana:** Like in my con opening, I said that we are maintaining a gross margin of around 50% plus. That will be maintained. It varies from crop to crop, variety to variety, place to place. The whole thing apart from cotton is demand-supply game. If your product is in demand, let's say SANKET is in demand.

It's hugely in demand and we are unable to increase the price and charge any premium because the government has put a cap on it. If it is selling in black, then the distributors are making money out of it, we don't. But all other products, it is demand supply. We maintain our gross margins to around 50% plus for last so many years now, which is the enhancement of sales and not increasing the bottom-line expenses gives me a better profit.

- Darshil Jhaveri:** And sir, with regards to our selling and distribution increase that we had seen this year. So would that be the same that you might continue for the next 1, 2 years? Or would it -- we would be...
- Devinder Khurana:** Mostly, yes. Mostly, yes. Mostly, yes.
- Moderator:** The next question comes from the line of Seetha Kumari, an individual investor.
- Seetha Kumari:** Satishji, I see that EBITDA margin is not growing in third quarter sale has increased but EBITDA margin is a lower now and earning is also not growing. We have good result, and we have vast experience, and despite that in second, third and fourth. I had expectation in the fourth that we will improve in that, but it didn't happen. It now questions now, this reserve and experience and we don't get anything in bottom line, I want to know on that?
- Satish Kagliwal:** Devinder, please continue.
- Devinder Khurana:** I will talk about figures. The EBITDA has increased from 14% to around 16.5%, it is not that it has not increase. If we compare it with 20, it will take some time to go to 20. The profit margin of the bottom line has also gone to 12%. I am expecting a growth range of EBITDA to around 16-18% and PATs around 11-14%. This is our conservative look out for the coming year. What you are saying is right. The company is here for years. But once a person starts climbing, it takes some time.
- Moderator:** The next question is from the line of Dharani, an individual investor.
- Dharani:** I wanted to know like why the margins are not going, and the paddy sector growth is not that much?
- Devinder Khurana:** Paddy sector, I can cover up. Margins are not going. I could not understand. Can you please elaborate?
- Dharani:** See, the previous quarter, we had 22% operating margin. So this quarter, it is just 9%.
- Devinder Khurana:** Two things you please take it from me. One is that kindly don't compare us on a quarter-to-quarter basis because Q1 and Q2 are generally merged in H1, and which gives me sales return book the final figures. The same happens in the second half. As far as margins are concerned, EBITDA, net profit, I already mentioned earlier. For gross margin, I said we have been maintaining 50%, 51%, 52%, which is a good margin for this kind of industry.
- Paddy, we are trying to change the product mix more to hybrid, which gives us definitely much better margins. That is taking a little time because the products have to be accepted into the market to be sold in volumes and quantum. But we are at it. Paddy hasn't declined. It has maintained, almost maintained. Cotton has gone up; all other crops have gone up. We don't expect all the crops to go up all the time. Do you, please?
- Dharani:** Okay. And we also wanted to know like what efforts we are making to recover the, say, INR9,000 lakhs that is provisioned into last March quarter.

- Devinder Khurana:** I just answered that in the earlier question. Can you please go through? This question was asked by the predecessor.
- Dharani:** Yes, yes. I listened that, sir, you mentioned that it will be recovered in coming years. But what efforts we are trying to make to recover it?
- Devinder Khurana:** There are only three ways of going on it. One is the farmers who are unable to pay, I give them some more production, and I try and contribute them to a few percentages or whatever, let us say if I giving them INR20 lakhs, I will say 2 lakh or 4 lakhs less, I will recover your old dues. It's a time-consuming process, but this is one which is the most safe and which is a slow and steady way of doing it.
- Secondly, I go legal, it doesn't make a difference. One of the farmers commits suicide, everything goes for a toss. I'm not going to get into that political embargo. We are not going on that route. Thirdly, I have already created provision. We would be happiest to recover whatever best we can. The recovery process will always be on by soft and supple fashion because we can't go forcibly on these issues.
- Dharani:** Okay, sir. I appreciate your response on this, sir. And I hope we'll have a good rainfall and good sales this year?
- Devinder Khurana:** Yes. Thank you very much. That is one positive way of pushing us on. Thank you.
- Moderator:** The next question is from the line of Aditya Sen from Robo Capital.
- Aditya Sen:** This is just a small question on the paddy realizations. I see that the paddy realizations have increased yearly. It's like it's much better than what we expected and what we heard in the previous con calls. So I just wanted to confirm, will this sustain going forward? Or how will this trend?
- Devinder Khurana:** Paddy, like I said, this year, it has just maintained over last year, okay? There are no stupendous growths in Paddy this year. And I gave a reason that we are trying to move more into hybrid than the research paddy. Research paddy is more volume, less margin. The hybrid is less volume but more margin.
- But we have a very strong research line of Paddy. Dr. Kulkarni has already been bringing that time and again. And we expect paddy and cotton to be our mainstay and contribute around 50% to the top line. And balance 50%, we would like to attribute to non-cotton, non-paddy portfolio so that finally, we have a balanced product mix. It is already down to 55-45 now.
- Aditya Sen:** So any vision on the paddy realizations going forward since you are increasing the hybrid portfolio, so in what proportion should it increase?
- Devinder Khurana:** Proportion as of now is a little difficult to put across. But margin-wise, definitely, it is much better. So let's wait for H1, maybe we'll be able to get a better picture.

- Moderator:** As there are no further questions, I will now like to hand the conference over to the management for closing comments. Sir, we have one question came in the queue from the line of Tarang from Old Bridge Capital.
- Tarang:** Sir, you -- at the starting of your address, you gave a guidance that you probably expect the business to grow by about 10% to 15% in FY '24. Is it on account -- I mean, is there something different? Or is that a market-related growth that you think is what's going to drive this kind of 15% growth in your opinion?
- Devinder Khurana:** You see, we have to take in all factors in play. It would be available or market available or products available or funds available of the season and all those factors clubbed together. I said that we would be growing by 10% to 15%. Somebody asked me whether this is a conservative opinion? I said, yes. So it is a mix of all the factors put together. But let's see how H1 behaves and then I think I'll be able to give a better picture once kharif is over.
- Moderator:** As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- Devinder Khurana:** Thank you again. Thanks a lot for all your precious time that you give to our company. And I always find that my interest in this company is always good because our business is quite lucrative, good margins because of certain things like COVID, 2 years of excessive sales return and farmers not coming out for sowing.
- We also were put on the backbench. But then over a period of this year, we are trying to come back to normalcy. I'm happy to announce that we are almost there. And if this year maintains the way we plan to maintain, we should be back on the rocket path. As far as the product portfolio balancing is concerned, it is reasonably getting balanced with all crops contributing to the top line and the bottom line.
- Our products being well accepted into, the market the demand from the market, including of -- which is evident in advanced bookings, that also is looking good. So as a result, we are on the track. And we request all of you to pray that we continue to work on that. We, in any case, will be working on that. Thank you. Thank you very much.
- Moderator:** Ladies and gentlemen, on behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.