August 21, 2026

To,
Listing Operation Department
BSE Limited
20th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400001

Scrip Code: 544432

To,
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai– 400051

NSE Symbol: IGCL

Subject: Submission of the Transcript of Q1 FY 26-27 Earnings Conference Call held on August 18, 2026

Dear Sir/ Ma'am,

Pursuant to Regulation 30 and 46(2)(oa) read with Schedule III Part A of Para A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), we are enclosing herewith the transcript of Q1 FY 26-27 Earnings Conference Call that was organized with the Analysts/Investors on Tuesday, August 18, 2026 at 11.00 A.M. (IST) to discussed on un-audited standalone and consolidated financial results of the Company for the quarter ended June 30, 2026.

The aforementioned transcript of the 'Q1 FY 26-27' Earnings Conference Call will also be uploaded on the Company's website i.e. www.groupindogulf.com

We request you to take the above on record and treat the same as Compliance under the applicable provisions of the SEBI Listing Regulations.

Thanking You,

Yours faithfully,

For Indogulf Cropsciences Limited

Sakshi Jain
Digitally signed by Sakshi Jain
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Encl. as above

"Indogulf Cropsciences Ltd. Q1 FY'27 Earnings Conference Call"

August 18, 2026

MANAGEMENT: MR. SANJAY AGGARWAL – MANAGING DIRECTOR
MR. MANOJ GUPTA – CHIEF FINANCIAL OFFICER

Moderator: Ladies and gentlemen, good day and welcome to Indogulf Cropsciences Ltd Q1 FY27 Earnings Conference Call.

Also, please note that this conference call may contain forward-looking statements about the Company which are based on the beliefs, opinions and expectations of the Company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

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 "*" then "0" on your touch-tone phone. Please note that this conference is being recorded.

And now I hand the conference over to Mr. Sanjay Aggarwal – Managing Director, Indogulf Cropsciences Ltd. Thank you and over to you, sir.

Sanjay Aggarwal: Good morning everyone and a very warm welcome to Indogulf Cropsciences Ltd Q1 FY27 Earnings Conference Call. Thank you for joining us today.

I am Sanjay Aggarwal – Managing Director and I joined by our CFO – Mr. Manoj Gupta along with our Investor Relations Team from Adfactors. It's a pleasure to connect with you once again and share our performances for the Quarter Ended June 30, 2026.

Let me begin by putting the quarter's performance into the context:

The 1st Quarter of FY27 was challenging for the domestic agrochemical industry primarily due to the delayed and uneven southwest monsoons. The impact of the monsoon was felt through the entire agricultural cycle, beginning with delayed Kharif sowing and extending to the timings of crop protection applications and dealer inventory decisions. For Indogulf, this resulted in a portion of the demand that would ordinarily have been realized during the 1st Quarter being delivered into the subsequent period.

On a consolidation basis, our revenue from operations stood at Rs. 168.5 crores in Q1 FY27 compared with Rs. 189.4 crores in Q1 FY26, representing an 11% year-over-year decline. At the same time, revenue was higher subsequently by approximately 12% compared with Quarter 4 FY26.

While the top line was impacted, there are several aspects of the quarter that give us confidence in the underlying business. Our gross margins improved meaningfully to 28% from 22% in Q1 FY26, while EBITDA margins improved to 5.7% from 5.2%. This demonstrates that our portfolio, procurement discipline and operating model continue to provide resilience even in a difficult demand environment.

From an operational perspective, capacity utilization increased to 70% during the quarter compared with 52% in FY26. This improvement reflects better utilization of our manufacturing infrastructures and provides a strong foundation as we progress through the Kharif season.

In terms of operating environment, one of the most important factors affecting demand during the quarter was the timing of the monsoon.

The delayed rainfall resulted in delayed sowing across several important agriculture markets. In certain regions, farmers had to reassess their crop plans or undertake resowing. Since crop protection applications are closely linked to the crop cycles, this pushed back the timings of pesticide applications. The effect was particularly visible in early-season crop protection demands, including herbicides, where the application window closely linked to sowing.

In addition, rainfall remained uneven across several parts of the Country, including parts of South India. This created uncertainty around crop conditions and resulted in more cautious share purchasing behavior amongst farmers.

Crop mix was another factor.

Farmers continued to make decisions based on rainfall, water availability, and expected crop economics resulting in changes in acreage of the crop, such as cotton, soybean, and pulses. This naturally affected demand for individual products depending on their crop exposure. Lower realization for certain agricultural commodities also affected farmer purchasing behavior.

With farm economics under pressure in some markets, farmers remained more conservative in their spending on crop protection inputs. The uncertainty also extended into the trade channel. Dealers and distributors remained cautious about building inventory until there was greater visibility on sowing and crop conditions.

At the same time, working capital available with the trade was partially absorbed by fertilizer stockings, leaving relatively less liquidity for crop protection products. This created a cascading effect across the value chain. Delayed monsoons led to delayed sowings, which delayed crop protection applications, resulting in cautious dealer stocking and lower near-term liquidation.

Importantly, we view a meaningful part of this weakness as time-related, which is characteristic with the seasonality of our sector, rather than a structural change in the business.

Speaking of price environment,

The quarter saw some headwinds from a pricing perspective also. The industry had attempted price increases during the preceding months in response to input cost pressure and global supply uncertainties.

However, the weak demand environment limited the industry's availability to sustain these increases. Prices of several molecules remained under pressure as global supply remained elevated, particularly with continued availability of intermediates and technical products from China. This meant that pricing could not fully compensate for the impact of lower volumes.

Therefore, the combination of lower volumes, softer realization and delayed demands affected the top line during the quarter.

In terms of portfolio and market position,

Despite the near-term challenges, our underlying portfolio remains well diversified and robust. Crop protection contributed 87% of Q1 FY27 revenue, while biologicals and plant nutrients contributed 3% each, with the balance coming from other categories.

Our channel mix also remained diversified, with B2C contributing 47% of revenue, B2B 40% and exports 13%. Our B2C business continues to benefit from our farmer engagement strategy, while our institutional business provides stability through established relationships.

Exports are increasingly becoming an important avenue for geographic diversification. Our farmer engagement model continues to strengthen. We now have more than 100 development offices across India and have engaged with more than 1 lakh farmers through farmer meetings, product demonstrations, field trials and advisory-led engagements. The objective is to move beyond transactional selling towards a deeper relationship with farmers and support product adoption through scientific and advisory-led engagement.

Coming to our global expansion initiative,

We also made meaningful progress on our international expansion during the period. In Taiwan, we have completed the registration of Mancozeb 80% WP, following the earlier technical shipment of Spiromesifen. We also have one formulation registration in progress in Taiwan and another in Vietnam.

In Sri Lanka, we have received import permission for our product Indo-Apache brand. We continue to build our presence in Venezuela and are strategically evaluating Brazil as an important market opportunity. We are also expanding our presence across Africa, including Kenya, Nigeria and Tanzania.

In Saudi Arabia, we have five technical registrations in place now. Overall, we have 189 registrations globally, of which more than 120 are valid and more than 10 are under renewal. This regulatory base gives us an ability to progressively expand into new markets and as opportunities develop.

Moreover, innovation remains an important pillar of our strategy. Two of the three speciality products planned for FY27 are already in the market, while our new fungicide remains on track for launch this quarter, subject to the relevant patent expiry.

We remain focused on building a portfolio with higher contributions from Speciality and differentiated value-added products.

On manufacturing,

Our capacity utilization increased to 70% in Q1 FY27. We are also continuing to invest in our manufacturing infrastructure, including the expansion at Barwasni and the development of the DF manufacturing facility.

Our capital work-in-progress stood at Rs. 76.4 crores in FY26 and compared with Rs. 57.1 crores in FY25, reflecting these ongoing investments.

Looking ahead, our priorities remain clear for this fiscal year. We will continue to expand our biological and sustainable product portfolio, increase the contribution of speciality and higher-value products, deepen farmer engagement through our advisory-led model, and accelerate our international expansion. At the same time, we remain focused on procurement, supply chain and manufacturing efficiencies and on improving utilization of our existing infrastructure.

Our innovation agenda will remain central to this strategy, including our collaboration with ICAR-IARI and the development of the next-generation crop solutions. Our broader objective is to evolve from an agrochemical company into an integrated Agri-solution platform, bringing together crop protection, plant nutrients, biologicals, farmer engagement and global market opportunities.

While Q1 has been impacted by the timing of the agriculture cycle and the broader industry environment, we remain focused on strengthening the underlying business and positioning the Company for sustainable long-term growth.

With that, I would now like to hand over the call to our CFO – Mr. Manoj Gupta, who will take you through the financial performance in greater detail. Thank you.

Manoj Gupta: Thank you, Sanjay Ji. Good afternoon, everyone, and thank you for joining us.

I will take you through the financial performance of Q1 FY27,

On a consolidated basis, revenue from the operation for the quarter stood Rs. 168.5 crores compared with Rs. 189.4 crores in Q1 FY26, representing an 11% YOY decline. Subsequently, revenue increased by approximately 12% from Rs. 150.8 crores in Q4 FY26. The decline in revenue was primarily a function of the operating environment that Sanjay Ji has already explained, including delayed sowing, lower near-term crop protection demand, cautious channel inventory, and pricing pressure.

However, the movement in gross profitability was encouraging. Cost of goods sold declined by 17% from YOY to Rs. 122 crores from Rs. 147 crores. As a result, gross profit increased by 12% to Rs. 46.6 crores from Rs. 41.7 crores.

Gross margin therefore improved significantly to 28% from 22% in Q1 FY26. This improvement reflects the benefit of a better cost and product mix during the quarter, together with the procurement discipline.

EBITDA for the quarter stood Rs. 9.6 crores as compared to Rs. 9.9 crores in Q1 FY26. While EBITDA declined by approximately 4% in absolute terms, EBITDA margin improved to 5.7% from 5.2%. This was achieved because of continued investment in our distribution network, market development, and business building initiatives. This margin performance is particularly important in the context of the softer top line and reflects the resilience of the operating model.

Profit after tax stood Rs. 2.4 crores as compared to Rs. 3.9 crores in Q1 FY26, with PAT margin at 1.4% compared to 2.1%.

Our focus for the remainder of the year will be on improving the quality and sustainability of growth. We will continue to focus on the specialty and value-added products, expand our biological portfolio, deepen our domestic distribution and farmer engagement, and build our international presence. At the same time, we will maintain discipline on the cost, working capital, and manufacturing efficiency.

The investment being made in capacity, product development, distribution, and exports are intended to create a stronger platform for growth over the medium-to-long term.

The Company's roadmap therefore focuses on combining revenue growth with improving product mix, operational efficiency, and margin quality. We remain confident that the capabilities we are building across manufacturing, distribution, innovation, and international markets will support stronger performance as the agriculture cycle progresses.

Thank you once again for your continued trust and support.

With that, we can now open the floor for the questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Harshit from Robo Capital. Please go ahead.

Harshit: Hello Sir, thank you for the opportunity. Sir, we grew around 19%. Our top line was 19% for the entire year FY26. Given the delayed rainfall and the war situation and everything, what is our estimated growth for FY27 and is it safe to assume that we will at least grow by 15%?

Sanjay Aggarwal: Your question is not clear. Actually, your voice, can you be a little clearer please, Harshit?

Harshit: Sure, sir. Is it clear now?

Sanjay Aggarwal: Yes, it's better.

Harshit: Right. So, our top line grew around 19% for the entire FY26, right? And given the delayed rainfall and war situation and everything, so is it safe to assume that we can grow by at least 15% this year in FY27 or what's the broad range, how much can we grow?

Sanjay Aggarwal: It's a forward statement and I don't think, but yes, Quarter 1 was not so good overall in the industry. We are looking forward and we are working aggressively for achieving good growth. And this quarter is an important quarter for us. We are looking forward to growth, but we don't want to commit for any figures. So, as far as the industry performance and the nature of industry is there, we shall be performing to our best capabilities and capacities.

Harshit: Okay, sir. Understood. And the new plant was going to come by the end of the fiscal year. So, I just wanted to understand that the current capacity that we have right now, so what can be the peak revenue with the current capacity?

Sanjay Aggarwal: With that capacity, expended capacity, we can go up to the top line of Rs. 1800 crores, maybe a little more. So, maybe for next few years, this is the CAPEX which we have done, and it will be sufficient for the coming years to reach around Rs. 1800 crores plus turnover.

Harshit: So, without the additional capacity, what is the peak turnover with the current capacity?

Sanjay Aggarwal: Pardon, with the current capacity?

Harshit: Yes, with the current capacity.

Sanjay Aggarwal: With the existing capacity?

Harshit: Yes, sir.

Sanjay Aggarwal: Yes, it should be around Rs. 1100 crores - Rs. 1200 crores, up to that.

Harshit: 1100-1200 crores. Alright, sir. And sir, this 1800 crores figure, so by when do we expect this to reach, in 2-3 years? Like, what is the broad timeline? What exactly is the broad timeline?

Sanjay Aggarwal: Your voice is again echoing. What is the pipeline you mean to say?

Harshit: The Rs. 1800 crores of turnover that we can achieve. So, like, what's the timeline for that? A broad range, I mean, 3-4 years or what's the target?

Sanjay Aggarwal: Approximately 4-5 years.

Harshit: 4-5 years. And what kind of ROE and PAT margins can we see at that time?

Sanjay Aggarwal: It's too early to predict 5 years. We are working with a clear intention to grow top line and bottom line. So, of course, there will be quality improvement in almost all the things.

Harshit: Okay, sir. Thank you.

Moderator: Thank you. Next question is from the line of Shravan Modi from Syndicate Family Office. Please go ahead.

Shravan Modi: Yes. So, good morning, sir. Thank you so much for your opportunity. So, my first question to you is, how has the El Nino and delayed monsoon risk flat last quarter actually played out? And what is the updated outlook for the Kharif and Rabi seasons throughout the remainder of FY27?

Sanjay Aggarwal: Okay. So, the impact of an El Nino, it can be felt by even a common man. The rains are lesser in most of the parts of India and some areas it's too much. But overall, we can see that the rainfall impact is there. Quarter 1 had a greater impact because it is basically the sowing period for the farmers. And in some of the areas, the sowing was also not done, delayed. And some areas, farmers have to do resowing also. So, that impacted especially the herbicide cycles initially and the top line. Also, there was a shift in some cropping pattern also by the farmers.

So, overall, the industry is struggling for top lines and bottom lines. But we are hoping for a better Kharif quarter closing. We are working towards that direction. And overall, we can see that very high expectations cannot be possible this year. But definitely, the sustainability and growth should be there in both Rabi and Kharif it should be there.

Shravan Modi: So, also, with China reducing export incentives for its domestic agri-chemical manufacturers, how is Indogulf trying to position itself to gain market share in global export markets? And what is the expected timeline for this opportunity to transform into meaningful revenue growth? If you could just share some lines on that.

Sanjay Aggarwal: So, the impact of this China reducing the incentives on exports has an impact on basically technical requirements across the globe. This year, overall, because of global warming and the impact, the demands overall globally are not so strong, also including this war situation overall. So, but definitely, in long term, it is a beneficial situation for technical producers like Indogulf and opens up the opportunity.

As I said that we recently had five technical registrations done in Saudi Arabia. Some more are in pipeline as well. And it will help the Indian technical manufacturers to grow. And indirectly, the formulations will also have a little better edge from China in the times to come.

Shravan Modi: Any update on our Australian Subsidiary Indogulf Cropsciences Australia and update on current development?

Sanjay Aggarwal: Australia Company is basically a registration holding Company and that is giving support for OECD registrations wherever OECD registrations are required. Presently, we don't have any marketing plan in Australia. We want to focus and expand ourselves in India, especially in our B2C area. And we have still more opportunities in LATAM and African markets and Middle East. So, Australia will not be in our recent or immediate expansion plan.

Shravan Modi: Thanks so much for your opportunity, sir, and wish you all the best.

Sanjay Aggarwal: Thank you.

Moderator: Thank you. Next question is from the line of Mahesh Kumar from MU Investments. Please go ahead.

Mahesh Kumar: Hello, sir. Thanks for the opportunity. I hope my line is clear.

Sanjay Aggarwal: Yes, Mahesh. We are able to hear you.

Mahesh Kumar: Okay. So, I just wanted to ask to understand the benefit of the backward integration a little better. So, you had earlier indicated that captive consumption of technicals was around 22%. Where does that stand currently? And as this scales up, how much margin or cost protection do you think it can provide, particularly versus peers who are more dependent on imported technicals?

Sanjay Aggarwal: We are seeing Quarter 1 this has improved to around 34%. So, we are using almost 34% of our technicals for captive consumption. And it definitely provides strength in two ways. One is cost competitiveness and second is timely availability and preparation for any kind of such good opportunities where we can use these technicals for our formulation and play with the bigger volume. So, in fact, in the coming years, we are planning to be more focused on the backward strength and expanding our formulation product portfolio in a way to expand, to utilize these technicals, which we are strong into manufacturing or imports. And our captive is towards improvement and it is giving benefit in costing as well as the supply management.

Mahesh Kumar: Okay. Okay, sir. And just on the Kharif season. So, how are you seeing the channel currently? Are distributor inventories at healthy levels or are you seeing any cautious stocking or delayed replacement compared with the normal season pattern?

Sanjay Aggarwal: See, actually this year, the decision making across the complete value chain, including the farmers, dealers, and distributors are quite conservative because everyone wants to take the decisions at the time of real users. So, the impact would be seen now since it is the peak time and the turnovers are better and increased compared to last quarter. So, the pressure on inventory is there because of El Nino and the channel is not having so much inventory, but yes, the price pressure is there and stocks are there with the companies and we all want to get them liquidated and so is Indogulf trying to do that.

Mahesh Kumar: Okay. On the Australian subsidiary, could you give us a little more color on the progress there? Is the focus primarily on registration and opening up new geographies at this stage or are we also beginning to see meaningful commercial opportunities? and over the next couple of years, how should you think about it?

Sanjay Aggarwal: Definitely, this Australia Company, we have few registrations which are being utilized in the Countries where OECD requirements are there. So, as I told to Shravan also earlier in my last answer that Australia is not presently our marketing Country. We are not opening it for marketing. We are presently focusing on other continents where we have deep roots in marketing and where the brand is already quite popular, where we have channels, where we have registrations to go further. So, in the coming years, yes, it always creates an opportunity, but maybe next one or two years, we don't feel that we will be doing marketing in Australia, but we will be expanding in other parts across the globe.

Mahesh Kumar: Okay, sir. Thank you for taking the time to answer all my questions. That was very helpful and gave us a much better understanding of the business and the outlook going ahead. Wishing the entire team all the very best for the coming quarters. Thank you.

Moderator: Thank you. Next question is from the line of Vikrant Sahu from RK Advisory Services. Please go ahead.

Vikrant Sahu: Hi, sir. Good afternoon. So, my question is, what is your medium-term aspiration for the contribution of biological, plant and nutrition to overall revenue mix?

Sanjay Aggarwal: Mid-term, you mean to say, means next few years?

Vikrant Sahu: Yes, next three to four years.

Sanjay Aggarwal: So, overall, this is one of the most potential and emerging segments, and if we consider our roadmap to grow this segment, I would like to highlight a few things to you. So, first of all is our product basket. So, already we have a good product basket, but we are preparing a futuristic product basket with more of stress-tolerance products and plant-signaling products and some more upcoming technologies based on physics and biology in this segment. So, that is about the product expansion. Second is our collaboration with the ICAR-IARI Pusa Institute. We are doing a project for next three years and we are working on very closely with the team over there and we are looking forward for some good products, especially for heat resistance and specifically for drought resistance.

So, we are working in that direction. Also, we are working on a few different formulation types for our biological and nutrient products. So, this is the third area where we are working.

Of course, creating USPs in terms of the formulation type, the packaging, certification, and also like you can say that the process technology, we are working on that. And lastly, we are very aggressively working on the kind of schemes and the channel partners as well as team for these products so that commercially everyone can be benefited with these products. Creating a package of practice, especially for the farmers, so that they can get the real knowledge and the value addition in the field from these kind of products.

So, all these actions we have taken for the midterm and long term for this segment.

Vikrant Sahu: Okay, great.

Manoj Gupta: Secondly, I would like to add even we are growing in this segment. If we will compare with the last quarter, we have our biological and plant nutrition sale to the brand sale was 11% which has gone to 22%.

Sanjay Aggarwal: As compared to last year Q1.

Vikrant Sahu: Okay, okay. And sir, the monsoon have been not so great. So, what is your perspective on that? How will it impact in the next season for you?

Sanjay Aggarwal: As I told that this year is not so favorable for our industry as a whole and we could see the impact. But yes, we are taking the needful corrective actions to enhance profitability further and on the operational front also. So, we are closely watching all the areas, and we are not expecting very promising monsoons even in the coming days because this El Nino has already been declared. But yes, wherever there are opportunities, there are rains or there are no water issues, our team is working and we are able to grow the business.

Vikrant Sahu: Okay. And sir, you have mentioned that you are developing some heat resistant and drought solutions. So, do you think the El Nino effect and due to El Nino effect, this product can contribute significantly to your top line and bottom line?

Sanjay Aggarwal: Yes, these are under development. It needs a lot of field research as well as some on-lab continuous trials and at different climatic zones and all those things. So, that kind of research is going on. As I mentioned that it's a three-year project and it will help us in the coming years for sure.

Vikrant Sahu: Okay, great to hear sir and all the best. Thank you.

Sanjay Aggarwal: Yes, thanks.

Moderator: Thank you. Next question is from the line of Sanjay K. from S3 Capital. Please go ahead. Sanjay, may I request you to unmute your line and proceed with your question? Sanjay, can I request you to unmute your line and proceed with your question? Due to no response, we move on to the next participant. Next question is from the line of Shreya Patil from FCI LLP. Please go ahead.

Shreya Patil: Hi, sir. So, your finance cost has risen by about 19% YoY. I just wanted to know what's driving this and should we be expecting the elevated run rate to continue?

Manoj Gupta: Yes, that is true that our finance cost has gone up. And the major reason was that because seeing the company's growth, we have planned a lot of things and our finance cost has increased. We have bought the material anticipating that there will be a good sales, but you know as Sanjay Ji has explained the things that due to poor rainfall and shifting of crops also impacted the sales. But we are expecting near time we will liquidate this inventory, and the collections will be better and so we are hoping that we will be able to reduce the finance cost.

Shreya Patil: Okay. And are you expecting any change in the effective tax rate?

Manoj Gupta: No, not yet.

Shreya Patil: Okay, sir. And just a last question. Are you looking at any inorganic growth or M&A opportunities for any specific portfolio for international expansion?

Sanjay Aggarwal: See, we are looking for some opportunities, but as I told you that this year and coming year we want to focus on our domestic expansion of our existing brands. We have a lot of opportunity and scope in India for our brands in the two Companies, in one of the subsidiary Companies as well as Indogulf. At the same time, we are in touch with some of the good consultants also for merger acquisitions across the globe, specifically for two areas, one is for some kind of newer technology which can add value and second is for any kind of market expansion where we can get some value addition. So, we are in discussion, but presently nothing concrete has happened so far.

Shreya Patil: Okay, sir. Thank you.

Moderator: Thank you. Next question is from the line of Manaswini from Oracle Investments. Please go ahead.

Manaswini: Hello. Hi, sir. I had a few questions. One of them being, you have outlined a vision of transforming Indogulf from a traditional agrochemical Company into an integrated agri-solutions platform. So, how do you expect then for investors and shareholders to think about the potential impact of this transition, especially on say margins or evaluation over the medium term?

Sanjay Aggarwal: Okay. So, yes, of course, when I personally entered into this industry almost more than three decades ago, so the kind of situation in this industry was quite conventional and we also started with one of the agri-input which was nutrients then followed by crop protection. But times have changed now. So, now a farmer and a channel partner look for a potential Company where he can find most of his solutions under one umbrella. So, Indogulf is one of those Companies where an integrated solution may it be for crop protection, may it be for nutrients, may it be for biologicals are available under one umbrella. As I said we have almost all the required products based on chemistry, based on physics, based on biology and we are working for some more replacements in the times to come in all these three verticals of science. So, collectively it's an integrated umbrella Company having all kind of product basket for the farmers and the channel partners. Also, we call it geographically more integrated like we are one of the few Companies which are working in domestic branch as well as overseas branch. Working with overseas branch create a lot more opportunities to have more understanding about the subjects across the globe with you interact with global partners, you interact with global farmers, you understand some new innovations, new ideas and you are able to use those ideas into your day-to-day expansion programs. So, that is also one of the area where Indogulf is important. And another very important advantage of being this global integrated Company is that you have an understanding of all the key parameters where quality of the products can be much and much improvised in terms of you can say physical appearance, in terms of bio-efficacy, in terms of you can say means all kind of improvements are possible. So, this is why we say that this is one of the integrated platforms and we are moving in that kind of direction.

Manaswini: Okay, sir. That was quite comprehensive. Thank you. But if you could also elaborate on the impact that this would have on margins and valuation.

Sanjay Aggarwal: Yes, of course, better profitability in coming times by these biologicals and nutrients because these are performance-based products and we can create an edge already over some of the products including Indo-Apache which is one of the blockbuster products is creating its own image and own kind of presence and acknowledgement from the Indian farmers and the market. So, that will add value to the Company and all the shareholders, stakeholders who are associated with the Company.

Manaswini: Okay. Thank you, sir. I had another question which is with raw material cost as a percentage of revenue improving this quarter, how much further scope is there for improvement and how are you then exposed to potential input cost volatility from West Asia once the current Q1 coverage runs out?

Sanjay Aggarwal: See, I would like to say that there is a little deferment of use of all raw materials which should have been exhausted from the market until now and this is because of this El Nino effect, and you can say resisting demands from the market as well. But yes, way forward by this quarter end almost the inventories which had the impact will be exhausted and with respect to price of the raw materials, there was a huge impact in Q1. In Q2, because of you can say a little lower demands and more availability, the prices of raw materials were corrected and they came down and I think now the things are almost stable but still a little incremental as compared to last year, especially the packaging material, which is almost 40% higher, the plastics and all these things that has an impact. Logistics have a little impact because of this fuel crisis and also some of the intermediates and raw materials have the impact but more or less now they are stable, but increments compared to last year is there.

Manaswini: Okay, that gives a lot of clarity and one last question. What according to you is the current share of captive and backward integrated consumption and then how does this integration help protect margins compared with peers especially that are more dependent on imported intermediates?

Sanjay Aggarwal: With respect to crop protection, as I told that almost 34% is used from our captive technical manufacturing so that keeps us a little stronger on few of the products but still there are some products because the range is quite elaborated, the product range. So, we still have dependencies of few molecules on China but for biologicals and nutrients broadly our own captive resources so it's a mix of both of them but yes, being into backward manufacturing gives Indogulf an edge as compared to the peer companies.

Manaswini: Okay, thank you so much sir. Thank you. Thank you for answering my questions and good luck.

Moderator: Thank you. Next question is from the land of Muskan Patel from JN Invest. Please go ahead.

Muskan Patel: Hi, so my question is what are the key levers the Management is now focusing on to improve the return ratio of maybe the ROCE, ROE over the medium term that's there?

Sanjay Aggarwal: What was your initial question, I could not get it. Please can you repeat the question?

Muskan Patel: Okay, my question is what are the key levers the management is now focused on to improve the return ratios that are there? Beyond maybe ROCE or ROE for that matter.

Sanjay Aggarwal: Okay, so Manoj.

Manoj Gupta: The key lever of improving ROCE is by improving the product mix. Because as sir has told that we are changing the product mix and all the things. And due to that our margins will be definitely increasing. We are trying high margin projects such as a biologicals, plant nutrition and all that. And secondly, we are expecting good growth in the coming years. It will help us to increase the margins which will definitely help us in the ROCE. And as sir has told that we are doing the manufacturing. Our focus on the manufacturing yield, energy efficiency and procurement and supply chain optimizations. Definitely these overhead controls will support our margin expansion. And expanding our product portfolio. We are entering new markets like as sir has told that we have recently registered the Indo-Apache in Sri Lanka. And this Venezuela and Taiwan is also starting.

And secondly, in India also we are spreading our wings to few other states. And our AGPL is also doing better. So, these all things will definitely make additions to our objectives and earning faster than the capital employed rather than relying primarily on the financial leverages. We are believing that sustained improvement in margins, asset utilization and working capital efficiency will be the key driver for ROCE.

Muskan Patel: Got it. That answers my question. Thank you.

Moderator: Thank you. As there are no further questions, I will now hand the conference over to Mr. Sanjay Aggarwal for closing comments.

Sanjay Aggarwal: So, thanks everyone for showing your interest and for taking up questions and joining us today. We appreciate your continued support and look forward to interacting with you again. Thank you once again. Good day.

Moderator: Thank you very much. On behalf of Indogulf Cropsciences Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.