“GSP Crop Science Limited

Q1 FY27 Earnings Conference Call”

August 12, 2026

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MANAGEMENT: **MR. BHAVESH SHAH – CHAIRMAN AND MANAGING DIRECTOR – GSP CROP SCIENCE LIMITED**
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Moderator: Ladies and gentlemen, good day and welcome to the GSP Crop Science Limited's Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone.

Please note that this conference is being recorded. 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 the date of this call. These statements do not guarantee the future performance of the company and may involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Bhavesh Shah, Managing Director from GSP Crop Science Limited. Thank you, and over to you, sir.

Bhavesh Shah: Yes. Good morning, everyone, and thank you for joining us today on our Q1 FY27 earning call. I am Bhavesh Shah, MD and Chairman of the company. With me Shail Shah, Executive Director, and also Adfactors PR our IR agency. I hope all of you have had the opportunity to review our financial results for the first quarter ‘27.

Overall, the financial performance in Q1 FY27 was stable, especially considering the volatile operations environments. We are a research-driven agrochemical company specializing in the development and manufacturing of insecticides, herbicides, and fungicides, also plant PGR in India.

With over more than 40 years’ experience in the agrochemical industries, GSP is built on a strong foundation of diversified product portfolio of technical and formulations, established customer relationship and growing presence across domestic and international market.

As a core of our business in our manufacturing capability, we operate multiple manufacturing facilities across India producing both technical and formulations. Technical form the active ingredient used in crop protection products, while formulations are the finished products that ultimately reach farmers. At GSP, we are not a single format agrochemical company, rather an integrated one.

Some companies in India are only making formulations and some only manufacturing technical. We are doing both technical and manufacturing. We operate across three diversified channels: a domestic B2B, domestic B2C, and also export. Now, we have more than 6000 distributors in India. Our comprehensive portfolio for the domestic market includes more than 200 product formulations, also more than 70 technicals.

Strong innovation pipeline, us we have more than 100 patent already granted product, and also, we have applied more than 100 applications under process. Our export portfolio also we have almost 175 plus formulations and 60 plus technical product giving the capability to address diverse crop protections needs across market. Also, we have invested in backward integrations to manufacturing of technical to lower our dependency on import.

Allow me to throw some light on patent and product strategy. Many large global players have patented products of technical. As those patent approach expiry, we position ourselves to be among the first movers in India to launch the new molecule in domestically. A multilayered effort involving field trials, safety testing, R&D and other regulatory clearance for Indian market. This result, we are the first-generation product, as a first-generation product we are the first mover in India to launch introduce the products. And that gives us as a first mover advantage.

In our portfolio we also create proprietary independently patented combination product also that address broader spectrum of pest or crop issue. Our life cycle of a molecule this allows us to monetize it twice. First, as a sustainable and standalone product, which naturally commodities as a more players enters and second, as a product gets resistance, so we are getting we are introducing a proprietary combinations which is a sustainable, and also, price power also margin, and also, we are getting molecule as once got generic of old product, we introduce a patented product.

And with this combination patent product -- patented product, GSP also getting a good margin. And also, farmers are getting a very good product for longer product control and also, they are getting reasonable price so they can get more yield by using this new patented product. In our history also few years, we have launched many products, patented product, and with excellent control with longer residual control.

And with that, we are very strong in many crops like paddy, sugarcane, vegetables, pulses, cotton and also in future also we are planning to launch many patented product because we have more than 200 product in our portfolio patented product. So, it will continue and in future also and for that farmer will get good product and even our margin will continue as a sustainable margin and will get and also our growth will be very good. So, for financial, so I am handover to Shail Shah, Executive Director.

Shail Shah: Yes. Thank you, Bhavesh sir. Good morning, everyone. I will now take you through the financial performance of the company for the quarter one of FY27. During the quarter, the company has reported a revenue of INR386 crores as compared to INR377 crores in the last quarter of the -- quarter one of the last financial years. Revenue remained broadly stable during the quarter with strong momentum in the domestic business.

However, it was partly offset by temporary raw material constraints in the international business. Within our domestic business if you have to see as Bhavesh sir just mentioned, our focus on the patented portfolio, we are seeing good growth in the volumes of the products that we have recently launched like PCT 410 and the products like Fighter who are gaining good scales and good volumes. We have seen good growth in these products in the quarter one.

Along with this, we have also seen a good growth and momentum from our B2B customers who have been co-marketing these patented products with us. So, as a strategy when we are launching these products, these combinations in our B2C business, we also offer these products to our co-marketers in our B2B business to increase our presence at a farmer level through their distributor network also and make this product more available and more niche in terms of the overall segment.

So, during the quarter if we see the split between the three businesses, almost the domestic B2C business has been at around 45%. The domestic B2B business is roughly around another 45% and the export business is around 10%. The export business typically gears up in the H2 of the financial year where the season particularly say in Latin America, major market being Brazil where the season is predominantly in the H2 of our financial year.

Also, let me highlight that you know, currently our business is more Kharif led. So, H1 is very important for us and out of even H1 Q2 becomes very critical because that is where the main monsoon and our demand consumption happen. During the quarter, if we see that the global geopolitical developments and climate related risk and certain volatility, there are certain supply chain disruptions and certain anticipations from the customer where due to pricing there were certain holdback of demands that we had seen.

Overall, the realization in the business has been better. The gross margins have improved. This improvement is broadly due to the increase in the product mix that is there wherein we have moved more towards our specialty and differentiated products. Then on the cost part if we see, there has been an increase in the employee cost which is due to the annual increments impact of the wage and the increased slight increase in the head count also.

Secondly, the power fuel cost has also gone up slightly. That is mainly due to the increase in the coal rate that has happened. The overall EBITDA if we see has stood at around 11%. There is other income that is there which is reported which is mainly due to the sale of land that was there of the company.

And so, overall, the depreciation also if we see has increased and this increase in depreciation is mainly due to the capitalization of the backward integration plant that we have at Dahej, Saykha, which was not capitalized in the last quarter currently correspondingly the depreciation has also increased. The iinterest cost has decreased due to the repayment of loans from the IPO funds that were there.

Finally, the profit after tax has increased by almost 16% to INR26.4 crores in the first quarter. As you might be aware, ICRA has upgraded our rating from A to A+ stable for our long-term as well as short-term facilities for A1. This upgrade is majorly due to the repayment of borrowing from our IPO and the continued good performance of the company.

I think with this we would like to conclude our opening remarks, and operator, we would like to open the questions for participants. Thank you.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question comes from the line of Kareena Jain, an individual investor. Please go ahead.

Kareena Jain: Hi. Congratulations on a good set of numbers. My question to you is, could you elaborate more on the current mix between the technicals, the formulations and the branded patented products, and how do you see this mix evolving?

Shail Shah : Hi, Kareena. Thank you for the question. So, the current business mix as I said is almost from a three-distribution channel it is 45% branded, 45% B2B and 10% is exports for the current quarter. From a formulation and technical perspective almost 75% of our business is formulations, 25% is technicals. Within the B2C business that we do which is our branded business, out of which currently we are at almost 20%, 22% of our patented products that we do as a part of this B2C business. Our aim is to almost double it over the period of 3 years.

Kareena Jain: Okay. I have one more question. So, how do you think about the growth trajectory across the B2B and B2C in context to export businesses over the next few quarters and years per se?

Shail Shah : So, we have seen good demand in our overall domestic market and with this patented portfolio, you know, as I said earlier the B2C we are able to create a differentiated strategy for particular crops like paddy, as Bhavesh sir said maize, sugarcane, and this with this differentiated strategy even the B2B customers are attracted well, while they are having a gap in their portfolio to support it through our patented combination products that we have.

So, we have seen good growth in these segments, particularly of differentiated products, which is also resulting into good margins because these are slightly better priced as compared to the generics that we offer. So, we are seeing that we will almost overgrow the expected industry growth that is there typically. So, we'll be growing at a rate faster than the industry growth rate and we will be having more market share in different pockets of the country where we are already strong, like say Maharashtra or states like Gujarat where, you know, we are already predominantly very strong.

Moderator: Does that answer your question, Kareena?

Kareena Jain: Yes.

Moderator: **Thank you.** The next question comes from the line of Aniket Redkar, an individual investor. Please go ahead.

Aniket Redkar: Good morning, everyone, and thank you for the opportunity. So, sir, I have some questions. So, I'll start with the -- this thing, I mean IPO related. Could you just provide an update on the utilization of the IPO proceeds and timeline for the deployment of this remaining fund that we have right now?

Shail Shah : Sure. So, good morning, Aniket. So, the IPO funds, the objective of the IPO was repayment of loan, and we have repaid the loans as per the object during the quarter. The remaining amount that is still to be utilized is a small amount that is there, which is pending the settlement from the banks for the brokerages. Once we get an exact working for that expense relating to the brokerage which in my understanding takes 2 months to 3 months from individual banks, then we'll be able to close the IPO account. So, as of now, whatever was the objective, other than the general corporate purpose, we have repaid the loans that we had taken as an object of this IPO.

Aniket Redkar: Okay. And sir, just wanted to understand in terms of the numbers like, I mean mostly I'm talking on this raw material things. So, can you just provide me -- how this raw material is improving our margins in future? what are the measures we are taking in terms of the raw material and everything?

Shail Shah : Sure,sure. So, for raw material per se, there are two parts. One, in the last quarter, what we have seen that there is some volatility in the pricing of the product because of the geopolitical situations. So, availability was not a question, but the prices were very volatile. Due to there were some products which are linked to petrochemicals. So, because of which there was some volatility. There were some logistical challenges in the earlier part of the quarter.

Secondly, due to the depreciating rupee from the last quarter almost the depreciation is 10% -- 11%. So, because of which also there is some impact that we are seeing on our raw material prices. Secondly, overall, because of the product mix, we are seeing the margin expansion that has happened is more because of the change in the products that we sell. So, because of which the margins have typically expanded.

But there is an increase in the raw material cost that is there. In certain cases, say particularly in B2B business, we are able to pass on this cost to our customers, but in B2C business it is -- there is a time lag between passing the cost of increased of the raw material to the customer. But then we have the inventory to cover those increasing cost. So, fairly in the first quarter we were stable from that perspective.

Aniket Redkar: Okay. So, just related to the raw material, now I'm just talking on the business side. As we have international business, we have a presence in the international side, so we have presence in Brazil, U.S. and Africa, right?

Shail Shah: Yes. And some parts of Southeast Asia also.

Aniket Redkar: Okay. So, how do you see the demand from their side? And what are the opportunities are there still and how are you going to take such kind of opportunities and tapping the markets? Can you just give me some clarity on it?

Shail Shah : Sure. So, Brazil predominantly being the largest market uh globally, so there is a lot of pressure in terms of the demand in Brazil. Because of this volatility in pricing also, the customers were not very keen on buying it earlier. So, the delay -- there was we have seen that there is a delay in terms of their buying patterns and once they delay it, then what happens is then then timing in terms of reaching the material to them becomes very important.

So, that time we have seen that certain orders, because China having a better logistics model, we are seeing that in spite of we being cost competitive, certain orders were transferred to China also. So, there at the last moment, because the buying was delayed and now timing is becoming an important factor, that is where we see that there are some hiccups that we faced in the first quarter.

Overall, the demand is not very great currently. We are expecting that, you know, destocking and the material that is required for the upcoming season which start from October, we see that demand should then kick in in September for the H2. So, that is what the overall, you know, position in terms of Brazil is. Brazil, we are seeing we are a bit cautious also because we have seen liquidity issues in Brazil where is the credit is also a challenge.

So, we are currently more focusing on the B2B customers where we have some established relations to do our business in Brazil. For remaining geographies in Latin America also, we are identifying small pockets like Argentina, Uruguay where we are having some second-tier distributors with whom we are planning to do tie ups for our products, so that we can, you know, sell it to them and they can further distribute in their strength geography.

So, that is the overall strategy for international business. Parallelly, we are also doing our registrations for upcoming products that are in the pipeline to then, you know, exploit our manufacturing facilities more around the year wherein, you know, once we have a good molecule which is registered in the other parts of the world also, which, you know, we can use it to then sell in the different time of the year. So, that is the overall export visibility.

Aniket Redkar: Okay. Got it. And then, how do you assess the progress of this Kharif season so far? I mean in what factors are you seeing in terms of the acreage, farmer sentiments and the agrochemical demand?

Bhavesh Shah : So, basically, in the initially first quarter, because of this war complete and even volatility of this crude price, and after that even IMD declared that this El Nino effect. So, everyone, even including farmer and channel partners and formulators, so they delayed everything buying and everything.

But now, by God's grace, in July everywhere it is a raining well and good and up till now, overall, almost a few areas has left, otherwise overall monsoon is good and even acreage of key crop, like cotton has increased, even soybean has increased, even in -- even this year chillies are increasing, so even paddy is almost will be stable, and in our focus, our portfolio is also very strong in particular this all crops.

So, we see good demand this second quarter. And as a – see, we are very strong in particular insecticide and fungicide and because of this gap in rains, so this insect will increase and definitely GSP is very strong in insecticide, so will get benefit particularly this quarter.

Aniket Redkar: Got it, sir. Thank you, sir. Thanks a lot. Thank you so much for giving me this opportunity and all the best for the future.

Bhavesh Shah : Thank you.

Moderator: The next question comes from the line of Krisha Jain from Palada Family Office. Please go ahead.

Krisha Jain: Hello. Thank you for the opportunity. So, I just have two questions. The first should be what is the opportunity to further increase the share of high margin patented and differentiated products in the portfolio?

Bhavesh Shah: See, basically, we introduced almost 12 products in last 3 years. And the segment and crop since there is a very, very huge and very large. So, for next 3 years we see that there is no even saturation will come in next 3 years to 4 years and huge opportunity in these all crops. And see basically our target is next 2 years to 3 years, we will be doubling the our -- this patented product share and we are also coming with new products or new -- in new missing segments.

See, basically, we are not we don't have any product for herbicide, so we are coming with that product, also coming within -- for particular potato this patented product is missing, so like this we are also coming where we have gap. So -- and because of efficacy of our product -- whatever products we have launched, the efficacy of these products are very, very good and all farmers and even our channel partners are very, very happy. So, next 3 years our growth will be very, very good.

Krisha Jain: Okay. And could you also provide more colours on the current capacity utilization across technical and formulation facility and the headroom that is available for growth?

Shail Shah: Yes. So, the current technical capacity utilization is around 70% to 75%, wherein we have some scope to grow the technical base. There is also a possibility to change. So, we have certain plants which are multi-product plants, so we have an opportunity to swap our products wherein we can have high value products, and which are low volume, so that is also an opportunity. The pipeline that is coming in future, out of those products there are certain products which are high value, low volume, so we'll be able to accommodate that in our existing facility.

Formulation plants, the utilization of formulation plant is around 25% to 30%, but formulation plant typically is not a bottleneck because it is a simpler process, there is no chemical synthesis or reactions that take place, so which also could be outsourced. So, typically, the facilities of formulations are designed to cater to the peak season. So, that is where the utilization remains low in the formulation plants. So, currently, it is around 25%-30%.

Krisha Jain: Okay. Thank you.

Shail Shah: Thank you.

Moderator: The next question comes from the line of Shravan Modi with Syndicate Family Office. Please go ahead.

Shravan Modi: Good morning, sir. Thank you so much for the opportunity…

Moderator: Sorry to interrupt, Shravan. You're not audible. Your voice is breaking up. Please use your phone on the handset mode in case if it is on hands-free.

Shravan Modi: Am I audible now?

Moderator: Yes, you are.

Shravan Modi: Yes. Thank you so much for the opportunity, sir. My first question to you is, which international currently operating the largest like…

Moderator: It's breaking up again, Shravan. Could you please change your location if possible?

Shravan Modi: So, I'll join the queue later, sir.

Moderator: Okay. Thank you. The next question comes from the line of Anirudh Sharma with Ekaant Investments. Please go ahead.

Anirudh Sharma: Hello?

Moderator: Anirudh, please go ahead. Yes. Please go ahead with your question.

Anirudh Sharma: Yes. Hi. So, my first question is that, is it the objective to increasingly move towards formulations and brand products?

Shail Shah: Yes, Anirudh. Good morning. So, the objective is that we will be moving more to our formulation products, yes. But in formulations, we are focusing on all the three verticals that we have. So, we are increasingly our formulation business through our own brand, which is the B2C business that is the main objective or goal, but that is also being supported by our B2B business wherein also we are increasing our contribution from formulation business in B2B also. By introducing or sharing with them these specialized formulations, so that their portfolio gap can be filled, as well as for us, we can make our patented product far more reachable to a farmer. So, overall, yes, formulation business is something which is where our core focus is.

Anirudh Sharma: Okay. Understood, sir. And what is your current market share?

Shail Shah: So, from an overall domestic market, if you see, our market share currently is not that great. It would be, say, roughly around 3% -- 3.5%, wherein we see that it is a good opportunity for us to grow. Because in a market like India where, you know, we have good manufacturing base also, we see that any market share from a company our size it is easier for us to scale to say 7% to 8% market share. So, that is what we are aiming in the upcoming times to reach to that level.

Anirudh Sharma: Okay. One last question. So, are you seeing any meaningful change in the farmer -- a farmer behaviour or product preferences that could alter your portfolio mix?

Shail Shah: Yes. We have seen some farmer behaviour changes, which is positively affecting us. So, in the areas -- to give you an example say in area like West Bengal, where the farmers earlier were very fragmented, small farmers, with having less capacity to spend, now with increased awareness and with the groundwork that the companies like ours have been doing, the awareness of specialty chemicals has been increasing.

And because of that their adoption to specialized molecules is increasing, and they are also seeing the results of that, because of which they are moving towards this direction, the new generation of farmers that are coming are more aware, they are more connected to social media, they have their own ways of assessing our products, because of which, you know, we are seeing that now a farmer is in a position to evaluate himself that what is good for him and get maximum value out of it.

And also, now, secondly what is we are seeing is that they are moving towards preventive kind of a spraying also, which is the trend in the developed markets. So, earlier what was happening was that it was more of curative kind of a market, where only after the infestation the farmers were using the insecticides or fungicides. But now, as a precaution also farmers are being more aware and have started using it on preventive basis so that the crop damage is minimal. So, these are the changes that we are seeing in the farmer behaviour pattern.

Anirudh Sharma: Okay, sir. Understood. That's it from my side sir. Thank you for the opportunity.

Shail Shah: Thank you.

Moderator: The next question comes from the line of Shravan Modi with Syndicate Family Office. Please go ahead.

Shravan Modi: Good morning, sir. Thanks so much for the opportunity. My first question to you is like, could you please elaborate on the current R&D pipeline we have and the number of patented or technical products you expect to introduce over the next few years?

Bhavesh Shah: See, basically, we have two R&D. One is technical R&D and second is formulation R&D. So, every year in particular technical, we are coming with every year one or two new products. And accordingly, we are we have built up and our R&D is capable. And even we have to generate all data generation it takes minimum 4 years to 5 years.

So, in for future, for next 5 years already we have started all work, and we will come with one or two technical product every year. Number one. Number two, for formulations, patented particular formulations, so that is also we are already we have pipeline for next 4 to 5 years. Every year, we will come with two to three new patented formulations. Right?

Shravan Modi: Right, sir. Also, currently, which international markets offer the largest growth opportunities for us? And which one are we targeting next like in the coming pipeline?

Bhavesh Shah: See, basically, mainly our focus is Latin America. See, because there are two reasons. One is their crop and our crop is almost similar. Number one. Number two, their season is almost reverse, opposite of Indian markets. So, once our Indian market or Indian season completes, Kharif season, which is main season in India, so their season starts.

So, whatever -- we manufacture technical, so we can utilize that technical in second half, so our technical plant can be run 12 months. So, our main focus is Brazil and USA and Latin America. Definitely, we are also planning Africa and even Asian countries, but as a volume, as a value, these are the main market.

Shravan Modi: Understood, sir. Thank you so much for your input, sir. That's it from my end.

Bhavesh Shah: Thank you.

Moderator: The next question comes from the line of Priya Thakkar, an individual investor. Please go ahead.

Priya Thakkar: Congratulations, sir, for your results. And thank you for giving me this opportunity. My question is, like, what actually differentiates the GSP's approach to patented formulations and the combination products from other domestic agrochemical players?

Shail Shah: So, yes. So, the differentiating factor that we have is that while, you know, we are working on these combination patents that we get, there are three major differentiations that is there. One is that our combinations that we generally offer to the farmers are of the newer technicals that are available in the market. So, the technicals that are getting off patent which were not, you know, easily accessible or were very at a high cost due to it being under the IPR protection with the multinationals. Once they get off patent, we typically have our combinations around those technicals which are generally new in the market.

So, the farmer is getting access to a newer chemical which is safer, more effective and the resistance issue is not there. That is the first part. Second, the solution that we are encompassing by, you know, having a different partner to this off-patented molecule, the idea is to do an extensive field trial and to understand the farmer level difficulty that, you know, while at a stage of a crop what is the issue a farmer is facing and how do we solve it in a way that he is getting a holistic solution.

That by, you know, having one spray, the ultimate objective that is is to achieve the target pest if there are one or more, we can address a larger bunch of issues by using it in one spray. So, that is the second area where we want to have a maximum value addition in terms of the farmers that is there. The third being we try to innovate different formulations, in terms of the application formulations that is there, like we have introduced SE suspo-emulsion formulations few years back, which where in which we were the first one in India to launch.

We have ZC formulations, we are coming up with OD formulations. So, all these differentiated formulations also make it easier for the farmer to use, number one, or more effective, the spread of the active ingredients or their synergy is much better with a good formulation so that effectiveness at the crop level increases. So, these are the three main differentiating factors that we typically have while we are envisaging a patented formulation product.

Priya Thakkar: Okay. Also, I would like you to share the company's midterm growth target and also, can you help us understand what are the key milestones that the investors should actually track to assess whether the GSP is on track with his medium-term growth ambitions?

Shail Shah: So, we have -- we may not be able to, you know, give the complete detail from a broadly standpoint if you have to see, we have been growing at almost say 15% kind of a rate, that is what the expectation is that we will be growing at around 15%. We are seeing a better growth in terms of EBITDA and PAT margin because of two reasons, the change in the product mix to a more differentiated portfolio, and secondly due to the reduction in the interest cost. So, these are the two changes that we are seeing further in the bottom-line impact. So, from an EBITDA level what we see that we can expect it to grow around 13% to 14% in the upcoming 2 years to 3 years.

Priya Thakkar: Okay. That answers my question. Thank you so much, sir.

Shail Shah: Thank you.

Moderator: A reminder to all participants, you may press star and one to ask a question. The next question comes from the line of Ayushi, an individual investor. Please go ahead.

Ayushi: Hi, sir. Good morning. My first question was regarding PAT. PAT was INR26 crores this quarter. Can you give us a sense of how that split between domestic B2B, domestic B2C and exports? Just the direction, like did the 240-basis point improvement in gross margin this quarter come mainly from B2B mix or from something else?

Shail Shah: Hi, Ayushi. Good morning. From a PAT perspective, it is very difficult to segregate the PAT at a business level because we have lot of common expenditure that are there that would be sitting at the EBITDA level. But from a margin perspective, at a gross level whatever increase that we are seeing in the margins, gross margins, that is mainly supported due to the increase of the share of patented products into B2C business and also good margins in the B2B business wherein we are seeing this overall growth of the percentage points that we are seeing.

Overall, as I said the PAT margins will increase because of the reduction in interest cost also during the year. And we are expecting EBITDA to be somewhere around 12% to 13% is what the expectation is.

Ayushi: All right. And my second question was about other income. Other income was INR83 million this quarter against INR26 million last year. And you said that most of this increase is profit on sale of lease land. Two things, first is that the sale of the 66,000 approx. square meters to Indo GSP, the promoter group company for INR23 crores that the board approved in April.

So second, how much of this INR83 million was that one-off gain because if I strip it out, profit before tax looks roughly flat against last year's INR29 crores rather than up 18%. So, what should we assume for a normal quarterly other income run rate from here? Is there any more land or non-core assets left to sell? What is your outlook regarding other income?

Shail Shah: No. So, out of these INR8 crores, almost INR5.7 crores is this other income for the land sale that is under consideration which you specifically mentioned. There is no other income that we plan that will be there in the upcoming quarters. The run rate per se, you know, with the increase or the impact of certain increase in the manpower cost because of which the increase in the GP has not materialized into the business income at the PAT level, but overall, we are seeing the growth in the PAT because of this sale in land.

This is a one-off event which we don't expect in the remaining three quarters, but the remaining three quarters we see that as per the, you know, expectation we see that the business would grow based on the operational efficiencies that we see.

Ayushi: All right. Thank you. And considering that we're now 6 weeks into Q2, how is this season shaping up versus last year? Is the material shortage behind you or is it still constraining what you can supply to the peak?

Shail Shah: No. So, I think Ayushi, material supply constraint is not uh there currently. We are seeing in the 6 weeks, particularly July the monsoon has been supportive also, it has covered major part of the country. We are seeing that the progress is good. From the last year also whatever the anticipated growth that we are seeing, we see that by Q2. We will be able to achieve that anticipated growth that we planned. So, we are on right track for that.

For South India, we see currently the three states, Andhra, Telangana, Karnataka, they are still a wait and watch kind of a situation, particularly from the monsoon standpoint, but overall, other constraints in terms of inputs, etcetera, we don't foresee any other constraints and we are on the track of achieving the projected growths.

Ayushi: No. My concern was just because last year Q2 was around 60% of the full year's PAT. So, that's why.

Shail Shah: Correct. Yes. Absolutely. So, Ayushi, that we anticipate that would be the case even this year, and the absolute number would increase as compared to last year because of the growth that we are anticipating, but proportionately it would be somewhere around this kind of a ratio only.

Ayushi: All right. Thank you. Thank you so much.

Moderator: Participants, please press star and one to ask a question. The next question comes from the line of Maira Mittal, an individual investor. Please go ahead.

Maira Mittal: Thank you for the opportunity. Sir, my question is, what will be the current contribution of B2B and B2C as per the domestic revenue and how you expect this mix to evolve over the next few years?

Shail Shah: Yes. So, overall, within the domestic business, so at annual level, our domestic business is almost 80%, our export business is 20%. Out of this 80%, it is equally split between B2C and B2B. We see that going forward 3 years, this kind of a mix would broadly continue. We expect the branded business to go to 45%-50% whereas remaining say 30%-35% will be then the B2B business. Export broadly for the upcoming 3 years will be somewhere around 20% only. That is what we are seeing in the -- as a mix for the upcoming years.

Moderator: Does that answer your question, Maira?

Maira Mittal: Thank you, sir.

Shail Shah: Thank you.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Shail Shah for the closing remarks.

Shail Shah: Yes. Thank you everyone for joining the call and for your questions. We look forward to discussing the same in the next quarter call. Best wishes from our side. Thank you. Have a nice day.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of GSP Crop Science Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.