Patanjali Foods

Operator: Ladies and gentlemen, good day and welcome to Patanjali Foods Ltd. Q2 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star and zero on your touchtone phone. A brief disclaimer: this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Please note that this conference is being recorded. I now hand the conference over to Mr. Sanjiv Asthana. Thank you, and over to you, sir.

Sanjiv Asthana: Thank you, and good afternoon to everyone joining us today. A warm welcome to Patanjali Foods Ltd.'s call to discuss the financial performance of Q2 and H1 FY27. I am joined by our CFO, Kumar Rajesh, along with Chindu Raj from Investor Relations and our IR partners, Strategic Growth Advisors.

The results for the quarter have been uploaded on the stock exchanges and on the company's website for your reference. Throughout this call, we will be referring to standalone financials. Let me begin with a snapshot of our performance. For the quarter, revenue from operations stood at rupees 11,323 crores, up 6% year-on-year, with operating EBITDA of rupees 426 crores at a margin of 3.76%, and profit before tax was rupees 449 crores at a margin of 3.59%. For the first half, we recorded our highest-ever revenue from operations of rupees 22,660 crores, up 22% year-on-year, with operating EBITDA of 961 crores at a margin of 4.28%, and profit before tax of rupees 862 crores at a margin of 3.79%.

These numbers should be read in the context of our operating environment. The festive calendar shifted later this year, moving peak festive demand from the second quarter into the third. Inflation rose steadily through the quarter, from around 4.45% in July to 4.82% in August, 5.54% in September, and 6.09% in October, the highest level under the new CPI series, with food inflation at 8.94%. The monsoon ended with a 13% rainfall deficit, the weakest since 2015, amidst the impact of El Niño. Improved irrigation across key agricultural belts should help mitigate the impact, but we remain watchful of the Kharif harvest and Rabi sowing.

Amidst inflationary pressure, early indications suggest some impact on demand. Urban markets remained relatively resilient for us, while rural demand was relatively muted. Recent RBI analysis shows non-farm rural activity growing at close to 6%, with wages now accounting for more than half of household income for smaller landholders, which offers some support, and we are tracking rural consumption closely. Despite these factors, we delivered healthy overall growth, reflecting the resilience of our integrated business model, supported by farm-to-shelf integration, a diversified portfolio catering to a wide range of price points, and an expanding distribution network.

Turning to segmental performance, the edible oil segment recorded its highest-ever quarterly revenue of rupees 8,532 crores, up 22% year-on-year, with an EBITDA margin of 3%. For the half year, segmental revenue stood at 17,037 crores, up 25% year-on-year, with an EBITDA margin of 4.11%. The segment runs from three streams: oil palm plantation, oilseeds crush, and branded oils, and all three continue to perform well. In branded oils, soy, rice bran, sunflower, and groundnut oil

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did well, while mustard was seasonally softer as we are in the off-season.

The global vegetable oil market remained firm through the quarter, driven by tighter palm oil supplies and strong industrial demand. The USDA cut Indonesia's 26-27 palm oil production quite substantially earlier this month, pointing to prolonged dryness, and lowered the export forecast to 21.6 million tonnes. Indonesia's B50 biodiesel mandate, enforced since July 1, is absorbing more palm oil domestically, while soybean oil use in US biofuels has reached monthly records. Domestically, palm, soya, and sunflower oil traded well above last year's levels through the quarter. Sunflower oil eased in September after peaking in August, while palm and soya firmed towards the end of the quarter. Looking ahead, higher global soybean crush and improved rapeseed and sunflower seed production should support oilseed availability, while palm oil supply should face seasonal and weather-related constraints in the coming months. India's import mix will continue to balance relative prices and availability across oils.

During the quarter, sunflower oil supply chains also faced disruptions, and our physical-oriented hedging strategy and timely import purchases helped us navigate them and manage price volatility. Very importantly, on September 14, the government {? raised ?} the effective import duty on crude palm oil and crude soya oil from 15.5% to 11% and on crude sunflower oil from 15.5% to 5.5%. Palm oil makes up almost 50% of our edible oil portfolio, with the balance in soya and sunflower. In line with our pass-through margin, we are passing the benefit on to consumers, which should support affordability and consumption in the coming months.

We also welcome the standardization of edible oil pack sizes to be implemented with a 3-month transition period, which will improve transparency and create a more level playing field for organized and national brands such as ours. Our oil palm plantation business generated revenue of 742 crores during the quarter. As of September 30, '26, our cultivated area stood at 127,000 hectares against a total allocated area of 6.63 lakh hectares. About 24% of this area is in the prime yielding phase of 7-25 years, a further approximately 8% is in the young phase of 4-7 years, and around 57% is still immature at up to 3 years. This is all built-in growth pipeline. As these areas mature, we expect production and profitability to rise steadily. We continue to build the ecosystem behind this business, and we have 203 FFB collection centers, 5 palm information centers, and 49 nurseries, in partnership with 95,000+ farmers. We signed MOUs with 10 state governments during the quarter. We also submitted an expression of interest for empanelment and conditional allocation [inaudible].

Management: ...oil palm development area on behalf of the domestic farmers and {? [unclear] ?} growers. With the harvesting season nearing its peak, our focus is on raising the yield of the matured area. Oil palm is a long-term annuity-style business with high-margin returns, as the business is backward integrated.

Moving to FMCG, quarterly revenue stood at 2,923 crores, with EBITDA of 221 crores at a margin of 7.57%, contributing 26% of revenue and 45% of EBITDA excluding unallocable income. For the half year, FMCG revenue stood at 5,861 crores, up 15% year-on-year, with EBITDA at 411 crores and a margin of 7.01%, contributing 26% of revenue and 26% of EBITDA excluding unallocable income.

Starting with foods, the biscuit segment recorded its highest-ever quarterly and half-yearly revenues, with quarterly revenue of 638 crores, up 28% year-on-year, with an EBITDA margin of

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11.91%. For the half year, revenue stood at 1,198 crores, up 28% year-on-year, with an EBITDA margin of 13.52%. Doodh Biscuits, our 1,300-crore-plus brand, continues to anchor the portfolio, while the premium range is steadily gaining traction. Our almond and raisin cookies, along with the new atta nuts and coconut digestive variants, have received an encouraging consumer response.

Consumer staples maintained revenue of 839 crores in the quarter and 1,649 crores in the half year. Going ahead, we continue to build our presence in the Indian kitchen through focused categories and new variants. Building on our presence in snacking, we entered the savory snacks category this quarter with a range of 10 products across 10-gram, 200-gram, and 400-gram packs, in the rupees 10, 200-gram, and 400-gram packs, including bhujia, potato bhujia, sweet-and-sour mix, crunchy peanuts. Savory snacks are a large everyday category and a natural fit for our portfolio and distribution reach.

Food and FMCG products recorded revenue of 186 crores, with volume-led growth of 16% year-on-year. For the half year, revenue stood at 345 crores, up 15% year-on-year. Ghee generated revenue of 306 crores in the quarter and 525 crores in the half year, and we expect demand to remain strong through the winter and wedding season. Quarterly revenue from beverages stood at rupees 21 crores, and revenue for the half year stood at 59 crores. In the other food categories, including honey, dry fruits, spices, and condiments, the 4 products together generated 195 crores in the quarter and 400 crores in the half year. In this space, we launched Patanjali Bael Murabba and Amla Murabba during the quarter.

Nutraceuticals generated revenue of 21 crores in the quarter and 39 crores in the half year. Growth is being led by our health, nutrition, and wellness range, including Daily Multi-Vites, Ashwagandha gummies, Family Superfoods, etc. Collagen-based and vitamin supplements through e-commerce are the primary volume drivers.

Our Home and Personal Care business delivered revenue of 714 crores in Q2 FY25, registering year-on-year growth of 11%, and 1,343 crores in the first half of FY25, up 13% year-on-year. The dental care segment within Home and Personal Care generated revenue of 278 crores in Q2 FY25, growing 5%, and 504 crores in the first half of FY25, growing 9%. Skin care recorded revenue of 188 crores and 360 crores in Q2 and the first half, respectively. Home care stood at 91 crores and 174 crores in Q2 and the first half, respectively, growing by 18% and 11%. Hair care products generated revenue of 55 crores in Q2 FY25 and 109 crores in the first half of FY25, registering year-on-year growth of 8% and 11% in the respective periods.

We continue to expand our HPC portfolio through new product launches and SKU additions, including Dant Kanti Advance, Patanjali Multi-purpose, Patanjali sachet, Super Dishwash Gel with {? rack ?} and lemon, and Super Disinfectant Patanjali {? Clean-up ?}, with a focus on affordable price points and convenient formats. Across foods and HPC, each launch targets a clear opportunity, bringing in new consumers at entry price points, premiumizing the food portfolio, or capturing the shift to new formats. We are also refreshing packaging across core products to improve shelf visibility and drive consumer pickup.

On the cost side of FMCG, wheat prices rose steadily after the new crop arrived and were above last year's levels in September. Sugar, milk, detergent costs, soybean, crude, and imports also moved higher during the quarter, alongside an increase in freight and logistics costs. We expect

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commodity inflation to continue in the near term. Having secured both edible oils and FMCG, we are managing Patanjali's balance sheet pressure through disciplined sourcing, product mix, and calibrated pricing. We will continuously evaluate cost-to-profit and consumer affordability.

The channel is shifting as well. Modern trade, e-commerce, and quick commerce are gaining share relative to traditional trade, and we are adapting accordingly. We will keep improving our platform visibility and availability on leading platforms, while continuing to invest in general trade, which remains the backbone of our distribution reach. Structurally, India remains one of the world's most attractive long-term consumption markets, with consumption steadily shifting towards branded and packaged foods, particularly staples. With our strong Indian roots and deep understanding of Indian consumers, Patanjali is well-positioned to gain from this shift.

In the near term, the festive season gained momentum in October and November to date. This provides a positive lead into the upcoming wedding season, while the winter months are also expected to support demand across categories. Against this backdrop, we are entering the second half of FY25 on a stronger note, while remaining mindful of the evolving macroeconomic environment and responsive to changing market conditions. Over the long term, our priority remains focused on scaling the food and FMCG business, strengthening our premium and value-added portfolio, expanding our presence across high-growth channels, and enhancing earnings quality through scale and operating efficiencies. In edible oil, our maturing oil palm plantations are expected to add a growing, high-quality earnings stream over the next few years, further strengthening the business. With these remarks, I conclude my opening comments and hand over to the moderator to open the floor for questions.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on the touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Ashutosh from ICICI Securities. Please go ahead.

Ashutosh – ICICI Securities: Hello. Thank you for the opportunity. My first question is on competitive intensity, specifically for the toothpaste and biscuits categories. For toothpaste, what I want to understand is that recently, or perhaps in the last 1 or 2 quarters, the market leader has increased its investments behind the brand. I want to understand whether competitive intensity has really changed in the last 1 or 2 quarters in the overall oral care segment. Also, if you could highlight how the toothpaste portfolio is performing in your key markets. This is the first part of my first question.

The second part is again related to the biscuits portfolio. How is the competitive intensity there? I know you have highlighted that growth has been very strong in the portfolio. However, given that one of the largest players is coming out with an IPO and there has been an aggressive push in trade, I want to understand how competitive intensity has evolved in both these segments over the last 2 or 3 quarters. Thank you.

Management: [pause] I will take the second part of the question first. I will understand it better from you, but on the dental care side, yes, there is competitive intensity across the board because it is an

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attractive category. Both the leading company and a range of other companies have intensified their activity in terms of new launches, pricing, and variants. It has had an impact, but Dant Kanti occupies quite a unique position. To give you a sense of the numbers, this quarter we did 278 crores [trails off]

Management: ...Dant Kanti as revenue in the overall dental care category, versus the 325 crores that we did in Q1, so nearly 53 crores has moved up by 16%. Similarly, compared to Q2 of last year, the growth has been about 5.5% plus. It is one of the strongest portfolios that we have. While the competition is strong, I think the new launches and the extension of the Dant Kanti brand into toothbrushes and different variants, as I mentioned in my initial comments, are keeping us competitive. We expect to close the year with approximately 15% growth in HPC, and I think we are pretty much on course to achieve that. The second half should be better than the first half because typically demand should pick up. We feel quite confident about our oral care portfolio overall.

Ashutosh – ICICI Securities: One more thing, sir. How have you seen the herbal market performing? I got some context from your answer, but I think it is currently around 32% to 33% of the overall toothpaste market. The market leader previously highlighted that it has now plateaued or is also seeing some kind of decline. I want to understand your view on the natural or Ayurvedic part of the market.

Management: We have answered this earlier as well. Since the absolute size is smaller, at just about one-third of the overall market, the percentages clearly do not reflect the absolute numbers as much. Broadly, if I look at it overall, the health and wellness market and many related areas continue to have fairly robust growth. As I mentioned to you, compared to Q1, our growth has been nearly 15%, and we continue to feel confident that we will be able to achieve that.

In fact, many new entrants have come in, including smaller companies that are working in this area, but the market is under consolidation. The largest company exited the segment entirely a year and a half ago. That gave a boost to the others. Overall, I would say that with a growth rate of 10-12%, and with the superior positioning and the segmentation that we have developed, we feel quite confident about continued growth momentum in this category. The overall market also continues to expand. The consolidation between 2 or 3 players is now becoming stronger and more defined. It can become more competitive, but from the perspective of overall growth and broader market growth, we find that the market continues to expand.

Ashutosh – ICICI Securities: Understood, sir. My second question is whether the company is evaluating anything on the inorganic side. We have recently seen, or perhaps over the last 2-3 years, increasing aggression, with most consumer companies acquiring different D2C brands to expedite growth. Are there any such plans for Patanjali at present?

Management: As I said, we continue to receive many opportunities for inorganic expansion. Many smaller companies that have struggled while building a particular space want to exit, and we evaluate these opportunities collectively. If it makes sense in terms of obtaining good distribution, or if it makes sense to establish a very good base in the areas where we would like to strengthen our portfolio, we would look at it.

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However, the issue we face so far is the price expectation versus the opportunity. We find that our own ability to do this at a marginal cost is much greater. That is why most of the inorganic opportunities that have come our way have not fructified, but we continue to explore them. We are not giving up on that possibility.

The company was internally focused, but it has now been nearly 2 years or more since the last HPC acquisition that we did from the parent. We will not shy away if something comes up. Right now, however, there is nothing on the cards that we would be embarking on in the near future.

Ashutosh – ICICI Securities: Great. Understood, sir. Thank you, and all the best for the coming quarters. Thank you.

Management: Thank you.

Operator: Thank you. The next question is from the line of Abhishek Mathur from Systematix Group. Please go ahead.

Abhishek Mathur – Systematix Group: Hi. Good afternoon, sir. Thank you for the opportunity. Growth in biscuits, skin care, and edible oils has been quite stellar for the quarter, specifically biscuits and skin care. Could you highlight the breakup of volume growth versus realization for these 3 categories? Also, on the food side, ethnic food and staples still seem to show a persistent decline. What are the reasons behind this decline?

Management: Biscuits are a very large part of our portfolio, as you would probably say, particularly the food biscuit category, which is very substantial. The growth there is largely volume-led. As we continue to work on the biscuit space, our growth percentages are typically between 8% and 10%. A very small proportion of the growth comes from the price increases in the premium categories that we have.

Your second question was related to ethnic foods. Or was it HPC?

Abhishek Mathur – Systematix Group: I was asking about the volume-versus-realization trend in the 3 categories of biscuits, skin care, and oils.

Management: I answered the biscuit question. In the edible oil segment, our growth is about 3%, and most of the balance of the growth that you see in revenue terms has been on account of the unit price increase, which has led to the revenue expansion. Broadly, volume growth in edible oil has been just about 3%. What was the third category you were referring to?

Abhishek Mathur – Systematix Group: Skin care, sir. Skin care.

Management: Skin care has largely been led by volume growth because we have not taken much of a price increase, given the competitive pressure. For example, in skin care, we have moved from 155 crores to 187 crores. Apart from one category where we took a price increase, the rest has been entirely volume-led growth. We have grown 13.76% versus Q1 and about 25% compared to Q2 of last year. A large part of that has been volume-led growth.

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Abhishek Mathur – Systematix Group: Understood, sir. What are the reasons behind the decline that we have been seeing in ethnic foods and staples?

Management: The laggards in the portfolio, if you were to discuss them, have clearly been food, including both staples and ethnic foods. The large issue that we are witnessing right now is that commodity inflation has been a huge challenge. While revenue growth has also been held back, the reason is that we are concerned that if the margin is not supportive, it makes no sense to keep pushing.

For staples, we took a conscious decision to reduce growth. The risk was not worthwhile because the ability to pass on a lot of the staples food pricing to consumers was very challenging. We came down from 1,110 crores in Q1 of {? 24 ?} to 888 crores. However, EBITDA improved from negative 59 crores in the last quarter to 15.61 crores. That was one part of the strategy. We consciously decided that we would not push volumes at any cost and would continue to control and manage the margin profile better.

On the ethnic food side, we expanded revenue from 463 crores to 525 crores, up almost 14%, and EBITDA increased from 1.89% to approximately 3.2%. However, this is not satisfactory because our overall target, which we have always clearly articulated, is that we would like the margin construct in overall food to reach a level of 8% to 10%. I think the staples, ethnic foods, and the Nutrela part [trails off]

Management: I think fighting for... pretty much largely led by commodity inflation, which is pressurizing the margins and preventing them from expanding, and that is the source of pressure. We are hoping that in the second half of this quarter and the quarter... in the quarter after this, we should start improving. This is because we have taken some price improvements that we are working on and, despite the competitive pressure, we are witnessing some volume pickup, at least through the {? dollar promotion strategy ?}, etc. Starting in October, things have begun to look better, and we should improve our margins as well.

Abhishek Mathur – Systematix Group: Great, sir. Secondly, just a bookkeeping question: could you indicate the EBITDA for HPC and for the staples and ethnic foods categories for the quarter?

Management: The EBITDA for HPC is 17.11%. We did about 122 crores in non-foods, on revenue of 713 crores. On the foods part overall, we did 32 crores of EBITDA at a margin of 2.4%, or 2.37%.

Abhishek Mathur – Systematix Group: For the 32 crores of EBITDA for foods, what is the breakup between staples and ethnic foods?

Management: Staples contributed 15.61 crores, at a margin of 1.86%. Ethnic foods contributed 16.78 crores, at a margin of 3.19%.

Abhishek Mathur – Systematix Group: All right, sir. I have a few more questions, but I will fall back in the queue. Thank you, and all the best.

Management: Sure, thank you.

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Operator: Thank you. Participants who wish to ask questions may press star and one at this time. The next question is from the line of Dheeraj Mistry from Jefferies. Please go ahead.

Dheeraj Mistry – Jefferies: Good afternoon, sir. My first question is regarding what the Government of India did in September by reducing customs duties on various edible oils. In light of that, is there any inventory loss that we booked during the quarter or expect to book in the next quarter?

Management: Dheeraj, anything that is impacted is tracked almost daily through the P&L, and 100% of it is accounted for in the same quarter. To answer your second question first, there is nothing that will spill over. The accounting and the performance that you have seen exactly reflect where we stand.

Regarding the impact, there is a marginal impact because we are carrying a long-only position, but a large part of our position is always afloat. It is not sitting at the port as duty-paid stock. Because the inflationary pressures and other challenges were well known, and it was known that the government might consider a duty reduction, a lot of our material was lying in bonded warehouses in non-duty-paid customs status, and a lot of it was afloat. Therefore, the impact of the duty change was actually quite minimal.

However, we can see that our EBITDA dropped from 5.22% to {? 3.something ?}%, and it was 444 crores in the previous quarter, which came down to 266 crores. To that direct extent, this loss was there, but it also reflects the change in the duty profile, which had an immediate impact on the domestic price that we were able to pass on to consumers.

Dheeraj Mistry – Jefferies: Understood. For the quarter as well as the first half, can you divide your edible oil revenue into volume growth versus pricing growth?

Management: I can share the volume details separately with you. I have the volumes with me. Let me share them. Do you want them for the half year? I can tell you. In Q1 this year, we did about 5.39 lakh tons. In Q2, the quarter we are discussing, we did 5 lakh tons. In Q2 of last year, we had done 4.82 lakh tons.

If we look at the complete half year versus the previous half year, our volume in the first half of last year was 9.4 lakh tons. This year, we have done 10.39 lakh tons, which is 10.9% growth in volume terms. That is approximately 99,000 tons of additional volume. We have grown in volume terms, and the balance of the growth is coming from pricing.

Dheeraj Mistry – Jefferies: No, that is clear. During the quarter, there was a one-time inventory taxation refund that we received. In light of that, what can we expect full-year taxation to be for FY24?

Management: Yogesh, will you throw some light on the tax first, and then we can discuss the rest?

Yogesh: This was the last installment that we received from the department as a tax refund, since it was due prior to the CIRP period, during which we received the carry-forward of losses from the period prior to CIRP, which has now been struck off. We received the final refund in this quarter, and after that there will be no refund for the past period. We may receive some nominal refund from the department during the operational course of the tenure, but that will not be major.

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Dheeraj Mistry – Jefferies: Understood. Thank you very much, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Priya Kulkarni from GEPL Capital. Please go ahead.

Priya Kulkarni – GEPL Capital: Thank you, sir, for this opportunity. I would like to ask how the standardization of edible oil packaging will impact the business. Has the rollout commenced, and what is the expected financial impact of this initiative? Could you answer this question, sir?

Management: Yes, Priya. Standardization has already been rolled out. From an industry perspective, there are 2 issues. One is that with the lower pack size, the industry believes that demand will actually go up because many consumers typically make their decision based on the pack price rather than the weight inside the pack. However, we still have to see what the real impact will be.

In terms of financial impact, there is none because adequate time was given to the industry to use up its inventory of packaging material. We ran down our inventory and were completely done by the time it was rolled out. Therefore, purely from a financial impact perspective, I would say there is none.

Regarding demand, we will have to see how it rolls out. October was quite positive from the demand side, but that was largely led by festive demand. We will have to see the second half. Typically, it tends to be better compared to the first half, so hopefully there is no impact on volumes. If there is any impact, it should be on the positive side.

Priya Kulkarni – GEPL Capital: Okay, sir. That answers my question. Thank you.

Management: Thank you.

Operator: Thank you. Participants who wish to ask questions may press star and one at this time. The next question is from the line of Abhishek Mathur from Systematic. Please go ahead.

Abhishek Mathur – Systematic: Thank you, sir, for the follow-up opportunity. The transfer of lease rights to the land in MP has happened from Patanjali Ayurved. The 185 crores that we are paying seems quite substantial in light of the overall 800 crores of cash and equivalents that we have on the books. I wanted to ask what benefit will come to the listed entity because of this. Will it be a benefit in terms of lower lease rental costs, and what will be the impact on our treasury income? Are there any other benefits that you can discuss?

Management: Yogesh?

Yogesh: Let me first clarify why this lease transfer happened. In Indore, we have a very good integrated plant in Manglia. We are going to shift that plant to another location because the land has now come into the urban area, which is now a residential area. For the purpose of complying with notices from the pollution control board and to avoid such notices, we have planned to shift this factory to another location.

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Our parent company, Patanjali Ayurved Limited, already had this land from MPSIDC, measuring 42.5 acres. That is the reason for the transfer of these lease rights. We are going to shift this plant to this location. Since... [trails off]

Management: ...purpose only, we have taken this land on lease. The lease rental is obviously very minimal. We are paying the lease premium to Patanjali Ayurved because they had paid it earlier to MPSIDC. This is the reason behind the transfer.

If you compare it with treasury income, there will not be much impact on treasury income vis-à-vis the lease rental.

Abhishek Mathur – Systematic: Understood, sir. Thank you for that. My second question is about the growth we have seen in biscuits and skin care. You indicated that most of it is contributed by volume growth, with very little contribution from pricing. I wanted to check where we are seeing this superior volume growth in biscuits and skin care and what is driving it.

Management: In biscuits, the straightforward point, as I mentioned earlier, is that there is a lot of latent demand, or unfilled demand. It is largely distribution-led growth. Most of this is because we have not taken any price increase, and almost 80% to 85% of our portfolio comprises categories where the possibility of taking a price increase is very minimal. Therefore, most of the growth is volume-led.

The demand is coming from unmet areas where either we have not been servicing the market well enough or have not deepened our reach, as well as areas where we were present but had not reached this range. Today, for example, our reach in biscuits would be nearly 3 lakh outlets where we reach directly. Given the nature of the market, we believe that indirect distribution reaches nearly 1.5 times that number, because a lot of biscuits are traded into smaller towns and other areas. This is driving the growth momentum.

Skin care is quite similar. In terms of price increases, our growth strategy is to consolidate and build up our revenue structure, driven more by volume growth rather than value growth. As I mentioned, in ethnic foods we took a conscious call to increase prices, and you can see the impact that I discussed. Skin care and the HPC category in general will be largely led by volume growth.

I can share the specific numbers as well. I do not have the biscuit and skin care numbers in front of me right now, but we can do that. [pause] Let me share the biscuit numbers, which I have now. We grew from 49,896 tonnes in the previous quarter, Q1 FY27, to 54,833 tonnes sold. This represents volume growth of nearly 9.91% in biscuits, which specifically answers your question.

I will share the skin care volume growth with you after this call so that you get a sense of the volume growth that we have seen.

Abhishek Mathur – Systematic: Great, sir. Thank you for the detailed responses. That is all from me. Thank you, all the best, and season's greetings, sir.

Management: Thank you, thank you.

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Operator: Thank you. Participants who wish to ask questions may press star and one now. Ladies and gentlemen, in order to ask a question, you may press star and one now. In order to ask a question, you may press star and one at this time. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

Management: Thank you very much for your participation. With this, we conclude the call. We sincerely thank you for your continued support and trust in Patanjali Foods. If you have any further queries, please reach out to SG or our Investor Relations Advisor. Thank you very much.

Operator: Thank you. On behalf of Patanjali Foods Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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