“Patanjali Foods Limited

Q2 & H1FY27 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day and welcome to Patanjali Foods Limited Q2 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 and zero on your touch-tone 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 on the date of this call. These statements are not the 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. Sanjeev Asthana. Thank you, and over to you, sir.

Sanjeev Asthana: Thank you, and good afternoon to everyone joining us today. A warm welcome to Patanjali Foods Limited's call to discuss our financial performance for Q2 & H1 of FY27. I am joined by our CFO, Kumar Rajesh ji, along with Priyendu Jha ji from Investor Relations and our IR partner, Strategic Growth Advisors.

The results collateral has 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, the revenue from operations stood at INR11,323 crores, up 16% year-on-year, with operating EBITDA of INR426 crores at a margin of 3.76%, and profit before tax of INR409 crores at a margin of 3.59%. For the first half, we recorded our highest-ever revenue from operations of INR22,660 crores, up 22% year-on-year, with operating EBITDA of 969 crores at a margin of 4.28%, and a profit before tax of INR862 crores at a margin of 3.79%. These numbers should be read in the context of the operating environment.

The festive calendar shifted later this year, moving pre-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. Amid 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.

Amid inflationary pressure, early indications suggest some impact visible in demand. Urban markets remained relatively resilient for us, while rural demand was relatively muted. The recent RBI analysis shows non-farm rural activity growing at close to 6%, with wages now accounting

for more than half of the household income for small 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 INR8,532 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 on three engines: oil palm plantation, oil seeds crush, and branded oils, and all three continue to perform well. In branded oils, soybean, rice bran, sunflower, and groundnut oils did well, while mustard was seasonally softer as we are in its off-season. The global vegetable oil market remained firm through the quarter, driven by tighter palm oil supplies and strong biofuel demand. The USDA cut Indonesia's 26 - 27 palm oil production quite substantially earlier this month, pointing to prolonged dryness, and lowered its export forecast to 21.6 million tons.

Indonesia's B50 biodiesel mandate, in force since 1st July, is absorbing more palm oil domestically, while soybean oil use in U.S. biofuels has been setting new monthly records. Domestically, palm, soya, and sunflower oil are 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, the higher global soybean crush and improved rapeseed and sunflower seed production should support oilseed availability, while palm oil supply faces seasonal and weather-related constraints in the coming months. India's import mix will continue to follow relative prices and availability across oils.

During the quarter, sunflower oil supply chains also faced disruption, and our physical-oriented hedging strategy and timely import purchases helped us navigate it and manage the price volatility.

Very importantly, on 24th September, the government reduced the effective import duty on crude palm oil and crude soybean oil from 16.5% to 11%, and on crude sunflower oil from 16.5% to 5.5%. Palm oil makes up almost 50% of our edible oil portfolio, and with the balance in soya and sunflower. In line with our pass-through model, 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 three-month transition period, which will improve transparency and create a more level playing field for organized national brands such as ours. Our oil palm plantation business generated revenue of INR742 crores during the quarter. As of 30th September 2026, our cultivated area stood at

127,000 hectares (Note: it was an approximate number, actual number is 1,27,265) against a total allocated area of 6.63 lakh hectares.

About 34% of this area is in the prime yielding phase of seven to twenty-five years, and a further around 8% in the young phase of four to seven (actual period for young phase is upto six years), and around 57% is still immature at up to three years. This is our 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 had 223 FFB collection centers, farmer information centers, 49 nurseries in partnership with 90,000 plus farmers. We have MoUs with 12 state governments.

During the quarter, we also submitted expression of interest for empanelment and conditional allocation for oil palm development area in Bihar under the National Mission on Edible Oils. With the harvesting season nearing its end, our focus is on raising yields as area matures.

Oil palm is a long-term annuity-style business with high margin returns that strengthens our backward integration.

Moving to FMCG, the quarterly revenue stood at INR2,923 crores with EBITDA of INR221 crores at a margin of 7.57%, contributing 26% of the revenue and 45% of EBITDA, excluding unallocable income.

For the half year, FMCG revenue stood at INR5,861 crores, up by 15% year-on-year, with EBITDA at INR411 crores and a margin of 7.01%, contributing 26% of revenue and 36% of EBITDA, excluding unallocable income.

Starting with foods, the biscuit segment recorded its highest ever quarterly and half-yearly revenues, with quarterly revenue of INR638 crores in the quarter, up 28% year-on-year, with an EBITDA margin of 11.91%. For the half year, revenue stood at INR1,198 crores, up 28% year-on-year, with an EBITDA margin of 13.52%.

Doodh biscuits are INR1,300 crores p.a. brand, continues to anchor the portfolio, while the premium range is steadily getting traction. Our Almond & Raisins Cookies, along with the new Atta, Fruit & Nut, and Kaju Pista variants, received an encouraging consumer response.

Consumer staples generated a revenue of INR839 crores in the quarter and INR1,949 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 namkeen category this quarter with a range of 10 products in INR10, 200 grams and 400 g packs, including Bhujia, Aaloo Bhujia, khatta meetha, Crunchy Peanuts, namkeen is a large everyday category and a natural fit for our portfolio and distribution reach.

Textured soya products recorded a revenue of INR186 crores with volume-led growth of 16% year-on-year. For the half year, the revenue stood at INR345 crores, up 15% year-on-year.

Ghee generated revenue of INR306 crores in the quarter and INR525 crores in the half year. We expect demand to strengthen through the winter and wedding season. The quarterly revenues from beverages stood at INR21 crores in the quarter and INR59 crores in the half year.

In the other food categories, including honey, dry fruits, spices and condiments, herbal products together generated INR197 crores in the quarter and INR400 crores in the half year. In this space, we launched Patanjali BalPrash, Bel Murabba, Amla Murabba during the quarter.

Nutraceuticals generated revenue of INR21 crores in the quarter and INR39 crores in the half year. Growth is being led by our health and nutrition wellness range, including daily multivitamin, ashwagandha, gummies, family superfoods, etc. Collagenprash and vitamin supplements with e-commerce are the primary volume drivers.

Our home and personal care business delivered a revenue of INR714 crores in Q2 of FY27, registering year-on-year growth of 11% and INR1,343 crores in first half of FY27, up 13% year-on-year.

Dental care segments in the home and personal care have generated revenue of INR378 crores in Q2 of FY27, growing 5%, and INR704 crores in first half of FY27, growing 9%. Skincare recorded a revenue of INR188 crores and INR350 crores (to be read as INR352 crores) in the Q2 and first half respectively.

Home care stood at INR91 crores and INR174 crores, and again in Q2 and the first half, growing by 18% and 11% respectively. Hair care products generated a revenue of INR55 crores in Q2 of FY27 and INR109 crores in first half FY27, registering a 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 addition, including Dant Kanti Advance, Kesh Kanti Milk Protein, shampoo sachets, Super Dish Wash Gel with Rakh and Lemon, and super disinfectant toilet cleaner with 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, revitalizing the portfolio, or capturing the shift to new formats. We are also refreshing packaging across select products to improve shelf visibility and drive consumer pickup.

On the cost side of FMCG, wheat prices rose steadily after the new crop arrival and ended September above last year's levels. Sugar, milk procurement costs, soybean, crude linked inputs also moved higher during the quarter alongside an increase in freight and logistics costs. We expect commodity inflation to continue in the near term.

Our presence across both edible oils and FMCG helps us balance these pressures, and we are managing them through disciplined sourcing, product mix, and calibrated pricing that balances cost recovery with consumer affordability.

The channels are shifting as well. Modern trade, e-commerce, quick commerce are gaining share relative to traditional trade, and we are adapting accordingly. We will keep improving assortment, visibility, 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 the 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 till date. This provides a positive lead in the upcoming wedding season, while the winter months are also expected to support demand across categories.

Against this backdrop, we are entering second half of FY27 on a stronger note while remaining mindful of the evolving macroeconomic environment and responsive to the changing market conditions.

Over the long term, our priorities remain focused on scaling the foods and FMCG business, strengthening our premium and value-added portfolio, expanding our presence across high-growth channels, and enhancing earnings quality through scale operating efficiencies. In edible oil, our maturing oil palm plantations are expected to add a growing high-quality earnings stream over a few years, further strengthening the business.

With these remarks, I conclude my opening comments and hand over the moderator to open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ashutosh from ICICI Securities. Please go ahead.

Ashutosh: Yes, hello. Thank you for the opportunity. My first question is on the competitive intensity. Specifically for the toothpaste category and biscuits. Toothpaste, what I want to understand is that recently, or maybe in last one or two quarters, the market leader has actually increased the investments behind the brand.

I just want to understand, has the competitive intensity really changed in last one or two 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 to my first question.

Second part is again related to biscuits portfolio. Similar thing, how is the competitive intensity there? I know you have highlighted the growth has been very strong in the portfolio, but given one of the largest players is coming with IPO, and there has been aggressive push on the shelf space and all. I just want to understand in both these segments, how has the competitive intensity evolved in maybe last two or three quarters? Thank you.

Sanjeev Asthana: The second part of the question I will understand better from you. On the dental care side, yes, there is a competitive intensity across the board, because it is an attractive category and both the leading company as well as the range of other companies, they quite intensified in terms of new

launches, the pricing, and the variants in terms of what they have launched. It has had its impact, but Patanjali Dant Kanti actually occupies quite a unique position.

Just to give you a flavor on the numbers, this quarter we did INR378 crores in Patanjali Dant Kanti as a revenue in the overall dental care category, versus INR325 crores that we did in Q1. Nearly INR53 crores, it moved up by 16%. Similarly, compared to the Q2 of last year, of course, the growth has been about 5.5% plus (to be read as 4.5%).

It is one of the stronger portfolios that we have had. Yes, while the competition is strong, I think in terms of the, what I mentioned in my initial comments also, our new launches, the extension of the Patanjali Dant Kanti brand into toothbrush, into different variants, I think is keeping us competitive.

We expect to close the year at what has been a broad basis, 15% growth in the HPC. I think we are pretty much on course to achieve that. Second half should be better than the first half, because typically it tends to pick up the demand side. We feel quite confident on our oral care portfolio overall.

Ashutosh: Okay. Just one thing, sir. How has been the herbal market basically doing? I got a bit of context from your answer, but I think it is currently around, say, 32%, 33% of the overall toothpaste market. The market leader earlier has highlighted that it has now plateaued or it is also seeing some kind of a decline. I just want to understand what is your view on the natural or the Ayurvedic part of the market?

Sanjeev Asthana: No. I have also repeated over earlier months also, that in terms of because the absolute size is smaller, it is about one-third of the overall market, clearly in terms of the percentages do not reflect as much in the absolute numbers also.

Broadly, if I were to look at the overall basis and the health and wellness market, alongside a lot of these areas continue to have a fairly robust growth. As I mentioned to you also versus the Q1, our growth has been nearly 16%. We continue to feel confident that we will be able to do that.

In fact, there are many new entrants who have come in and smaller companies who are working on it, but market is under consolidation. The largest company exited that segment entirely a year and a half back. That gave a fillip to the others. Overall, I would say that the rate of growth of 10% to12% and maybe superior the positioning and the segmentation that we worked on, I think we feel pretty confident on our continued growth momentum in this category.

Overall market also, it continues to expand to that extent. I think the consolidation between two or three players now is getting stronger, more defined. Yes, it will get more competitive, but definitely from the space overall growth and the product growth perspective, I think we find that market continues to expand.

Ashutosh: Okay. Understood, sir. Just a second question. Is the company evaluating anything on the inorganic part? We have recently seen that or maybe in last two, three years, there has been an

aggression. Most of the consumer companies are acquiring different D2C brands to expedite the growth. Any such plans for Patanjali as of now?

Sanjeev Asthana: No. I mean, we keep getting a lot of these opportunities on the inorganic expansion, and a lot of smaller companies which tend to struggle, which have built a particular base want to exit. And we are evaluating selectively.

So, look, if it makes sense in getting additional distribution, if it makes sense in getting a very good base in the areas where we would like to strengthen our portfolio, we would look at it. But so far, the issue that we face is with the price expectation versus the opportunity. We find that our own ability to do that at a marginal cost is much greater.

So that is why most of the inorganic opportunities that came our way have not fructified, but we continue to explore. I mean, we are not giving up on that possibility. And while company was internally focused, now it is now only almost two years plus now post the last HPC acquisition that we did from the parent. So we will not shy away if something good comes up. But right now, there is nothing on the card that I would say that we would be investing it in the near future.

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

Sanjeev Asthana: Thank you.

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

Abhishek Mathur: Yes. Hi. Good afternoon, sir. Thank you for the opportunity. Sir, our growth in biscuits, skincare, and also edible oils has been quite stellar for the quarter, specifically biscuits and skincare. If you can just highlight what is the breakup of volume growth here for these three categories versus realizations. Also, on the food side, the ethnic foods and the staples still seem to be, the decline seems to have persisted. What are the reasons behind the decline here? Yes.

Sanjeev Asthana: Biscuits, both it is actually very large part of our, as you would know, Abhishek, that very large part of our portfolio is in the Doodh biscuit category, which is very substantive, where all the growth what is there is largely volume-led.

So growth, as we continue to work on the biscuit space, broadly our growth percentage typically are between 8% to 10%, and very small proportion that we have, which is what you see is a part of the price increase in the premium categories that we have. That is one part. Your second question was related to the ethnic foods. Was it HPC?

Abhishek Mathur: Yes. So I was asking about the volume versus realization trend in these three categories of biscuits, skin, and oils. Yes.

Sanjeev Asthana: Biscuits, I answered your question. In the edible oil segment, our growth is around 3%, (to be read as 3.9%) and the balance, most of the growth that you see in the revenue terms is large part of that has been on account of the unit price increase, which has led to the revenue expansion.

Broadly, just about 3% has been the growth in the volume in the edible oil. In case of which was the third category you were talking about?

Abhishek Mathur: Skincare, sir. Skincare.

Sanjeev Asthana: Skincare, a large part of that has been largely led by volume growth only, because we haven't taken much of a price increase, because there has been a pressure in terms of the competitive sort of part which has been there.

For example, in the Skincare, we moved from INR165 crores to INR187 crores, and virtually other than in one category, where we took a price increase, and rest of it has been entirely volume-led growth. We've grown about 13.76% versus the quarter one and about 25% (to be read as 25.58%)compared to the last Q2 of last year. Last part of that has been a volume-led growth only.

Abhishek Mathur: Got it, sir. The reasons behind why we've been seeing some decline in the ethnic foods and the staples side?

Sanjeev Asthana: So, I mean, the laggard out of the portfolio, if you were to sort of discuss, has clearly been the food, both the staples and the ethnic foods. And there, look, the large issue that we are witnessing right now is that the commodity inflation has been a huge challenge. So, while revenue growth also has been kept flat, but the reason is that, where we are pretty much concerned is that, if the margin is not supported, it makes just no sense to be pushing.

So staples, for example, we took a conscious decision to de-grow, because it was just not making sense, because the ability to pass on a lot of staples, food pricing onto the consumers was very challenging. So from INR1,110 crores in the Q1 of FY27, we came down to INR838 crores. But the EBITDA, we improved from negative 59, what we had in the last quarter, we improved to INR15.61 crores. So that was one part of the strategy that we took a conscious call to, that we will not push volumes at any cost, and we will continue to control, manage the margin profile better.

And on the ethnic food side, we expanded the revenue from INR460 crores to INR525 crores, almost 14% up, INR65 crores up. And EBITDA, we kind of took it up from 1.89% to just about 3.2%. But it is not satisfactory, because our overall target, what we have had is that, like clearly we have illustrated that always, that we would like the margin construct in the overall food to a level of 8% to 10%.

And I think this staples and ethnic foods and in the Nutrela business, I think pretty much largely led by the commodity inflation, which is pressurizing the margins to sort of expand, and which is the source of pressure.

So, we are hoping that this second of this quarter and the quarter after this, we should start improving. And both because we have taken some price improvements we are working on, and also despite the competitive pressure, I think we are witnessing some sort of volume pickup.

Ethnic food, with all our promotion strategies, etcetera, has done better, and we should improve our margins also.

Abhishek Mathur: Great, sir. Secondly, just a bookkeeping one. If you can indicate the EBITDA for the HPC and for the staples and ethnic foods categories for the quarter.

Sanjeev Asthana: So EBITDA for the HPC is 17.11%. We did about INR122 crores in the non-foods, on a revenue base of INR713 crores (to be read as INR713.88 crores). On the foods part, overall, we did INR32 crores EBITDA, and a margin of 2.37%.

Abhishek Mathur: And sir, on the INR32 crores for foods, the breakup between the staples and the ethnic foods?

Sanjeev Asthana: It is INR15.61 crores in the staples, 1.86%. And the ethnic is INR16.78 crores, 3.19%.

Abhishek Mathur: All right, sir. I have few more questions, but I will fall back in the queue. Thanks and all the best.

Sanjeev Asthana: Sure. Thank you.

Moderator: Thank you. The next question is from the line of Dhiraj Mistry from Jefferies. Please go ahead.

Dhiraj Mistry: Yes. Good afternoon, sir. My first question is regarding what Government of India has done in the month of September, reduction in custom duty prices for most of edible oil prices. In light of that, is there any inventory loss which we have booked during the quarter or expected to book in next quarter?

Sanjeev Asthana: No. Dhiraj, as you know that anything that is impacted is almost virtually a daily tracking with the P&L, and 100% of that is accounted in the same quarter. To answer your second question first, there is nothing that is going to spill over. The accounting and the performance that you are seeing is exactly reflective of where it stands.

On the second part, in terms of the impact, there is a marginal impact because we are carrying, obviously, a long-only position. But last part of our position is always a float. It is not sitting at the port, which is a duty-based stock.

Because of the inflationary pressures and the other challenges, it was quite well-known that the government might consider a duty reduction. A lot of our material was lying in the bonded warehouses at the non-duty customs space. A lot of it was afloat, so the impact was actually quite minimal on account of the duty impact.

But yes, as you can see that our EBITDA from 5.22% dropped to 3%, and it was INR444 crores in the previous quarter, it came down to INR256 crores. So to that extent, the drop was there, but it was also reflective of the change in the duty profile that we saw, which had an immediate impact on the domestic prices of what we were able to pass on to the consumers.

Dhiraj Mistry: Got it. Got it. And for the quarter as well as for the first half, can you divide your edible oil revenue into volume versus pricing growth?

Sanjeev Asthana: Volume-wise, I can share that separately with you. Okay, I have the volume with me. The total, let me share the volumes. You want in the half yearly? I can tell you on the Q1 this year, we did about 5.39 lakh tons (to be read as 5.70 lakh tons) in the Q1. In the Q2, the quarter we are talking about, we did 5 lakh tons.

And Q2 of last year, we had done 4.82 lakh tons(error: actual number is 5.22 lakh tons). So the volume, and if I were to look at this half versus the previous half, last year, which I was telling earlier also, our six months volume, last year we were 9.4 lakh tons (to be read as 9.99 lakh tons) in the first half. And this year, we have done 10.39 lakh tons (error: actual number is 11.07 lakh tons), which is 10.5% growth in volume terms, and about 99,000 sort of tons additional volume that we did. Volume-wise, we have grown, and balanced part of the growth is coming out of the price inflation.

Dhiraj Mistry: Yes. Okay. No, that is clear. During the quarter, there was a one-time inventory taxation refund which we have got. In light of that, what can we expect full year taxes for FY27?

Kumar Rajesh: Yes. This was the last installment we got received from the department as a tax refund since it was due prior to the CIRP period, where we got the carry forward of losses of prior to CIRP period, which is now struck off, and we got the final refund in this quarter. After that, there will be no refund of the past period. Some nominal refund during the operational course of tenure we can get from the department only. That is not major, you can say.

Dhiraj Mistry: Got it. Got it. Okay. Thank you very much, sir.

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

Priya Kulkarni: Thank you, sir, for this opportunity. I would like to ask, how will the standardization of edible oils packaging will impact? Has the rollout commenced, and what is the expected financial impact on this initiative?

Sanjeev Asthana: Yes, Priya. You know that standardization has already rolled in. There are two issues with the industry landscape. One is that with the lower pack size, the standardization of pack size, they feel that the demand will actually go up because a lot of consumers typically tend to make the decision based on a package pack rather than the weight inside the pack.

We still have to see as to what the real impact is going to be. In terms of financial impact, none, because there was adequate time given to the industry to run through the entire inventory of the packaging material. We ran it down.

We were completely done by the time it was to be rolled out. Really from a financial impact perspective, I would say none. Demand, we will have to see as to how it rolls out. October actually was quite positive from demand side, but that was largely led by the festival demand. We will have to see. The second half typically tends to be better compared to the first half. Hopefully there is no impact on the volumes. If at all there is impact, it should be on the positive side.

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

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

Abhishek Mathur: Yes, thank you, sir, for the follow-up opportunity. This transfer of lease rights to the land in M.P. that has happened from Patanjali Ayurved, this INR185 crores that we are paying seems to be quite substantial in light of the overall INR800 crores of cash and equivalents that we have on the books.

Just wanted to ask you, what is the benefit that will come to the listed entity because of this? Will it be a benefit in terms of lower lease rental costs? What will be the impact on our treasury income and any other benefits that you can talk about here? Yes.

Kumar Rajesh: Yes. So, see, why this lease transfer has been happened, first I would like to clarify that. Basically, in Indore, we have a very good integrated plant in Mangliya. We are going to shift that plant to another location since that land has come into the, residential area now. So, to avoid the notice of the Pollution Control Board, etcetera, we have planned to shift this factory to another location.

That's why, and our parent company, Patanjali Ayurved Limited, already had this land from the MPSIDC, and to the tune of 42.5 acres. For this purpose only, we have taken this land on lease. Now, the lease rental is very minimal, obviously.

Lease premium, obviously, we are paying to the Patanjali Ayurved since they had paid earlier to the MPSIDC. So, this is the reason behind the transfer of this. If you would like to compare it from the treasury income, we will not have much more impact on the treasury income from that vis-à-vis compared to the lease rental.

Abhishek Mathur: Got it, sir. Thanks for that. Second question, sir. You had indicated that the growth that we have seen in biscuits and skincare, more of it is on the volume side. Most of it is contributed by volume growth, very little by pricing. So, just wanted to check, in biscuits and in skin, where are we seeing this sort of superior, stellar volume growth coming from? What is driving this?

Sanjeev Asthana: So biscuits, it was a fairly straightforward thing. As I have mentioned always, there is a lot of latent demand, which is the unfilled. It is a largely distribution-led growth. You can see that most of it, because we have not taken any price increase at all, and almost 80% of our portfolio, 85% is comprising of Doodh biscuits. So, there is possibility of taking the price increase is very, very minimal. So, most of it is led by the volume growth.

The demand is coming from the unmet, the areas where either we have not been servicing well enough or deepening our reach in the markets, where we were good, but we had not reached out to this one. So today, for example, our reach in biscuits would be upwards of nearly 3 lakh outlets where we reach into directly.

Because of the very nature of the market, we believe that nearly 1.5 times of that is where the indirect distribution is happening, because a lot of it is getting traded into smaller towns and other areas, which is driving that growth momentum.

So, that is there, and skincare is pretty much similar, that really in terms of price increase, the core strategy look is pretty much there, that we would like to consolidate and build up our revenue structure, driven more by volume growth rather than the values.

So, even as I mentioned in the ethnic foods, at staples, we took a conscious call to reduce it. The ethnic foods where we have taken conscious call to increase the prices, but you do see that the impact that I spoke about. And skincare, HPC categories in general will be largely led by volume growth.

And I can share the specific numbers as well. It is just that right now I do not have it in front of me, the biscuits growth numbers and this part, but we can do that. So, let me just share the biscuits now I have. So, we grew from 49,000 (to be read as 49,874) tons in the previous quarter, Q1 of FY27, to 56,122 tons of what we sold.

So, it is nearly 9.91% (error: actual growth is 12.53%) growth that we have in the volume growth in the biscuits, as a specific answer to your question. And the skincare, in terms of the volume growth, I will share that with you definitely after this call, so that you get a flavor of the volume growth that we have achieved.

Abhishek Mathur: Great, sir. Thank you for the detailed responses. That is it from me. Thanks, all the best, and seasonal greetings, sir.

Sanjeev Asthana: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

Sanjeev Asthana: No, thanks. Thank you very much for the participation. With this, we conclude the call. Sincerely thank you for your continued support and trust in Patanjali Foods. If you have any further queries, please reach out to SGA, our Investor Relations Advisor. Thank you very much.

Moderator: Thank you. On behalf of Patanjali Foods Limited, that concludes this conference. Thank you for joining us, and you may now disconnect the line.