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TRUST & TOGETHERNESS

Sunday, November 8, 2026

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To, Department of Corporate Services **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. **Scrip Code: 544487**	To, The Listing Department **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. **Symbol: PATELRMART**

Subject: Transcript of"Q2 & H1 FY27" Earnings Conference Call.

Respected Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 read with Para A and Part A of schedule III of the said regulations, please find enclosed the transcript of **Q2 & H1 FY27 Earnings Conference Call** held on **November 06,2026.**

The said Transcript will be simultaneously posted on the Company's website at https://patelrpl.in/investor-relations/

This for information, dissemination and record purpose.

Yours Sincerely,
For Patel Retail Limited

Prasad Ramesh Khopkar

Digitally signed by Prasad Ramesh Khopkar
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Prasad Ramesh Khopkar
(Company Secretary)

Enclosure: Transcript of Earnings Conference Call.

“Patel Retail Limited
Q2 and H1 FY27 Results Conference Call”
November 06, 2026

MANAGEMENT: **MR. DHANJI PATEL – CHAIRMAN AND MANAGING DIRECTOR – PATEL RETAIL LIMITED**
MR. HITESH SAWLANI – CHIEF FINANCIAL OFFICER – PATEL RETAIL LIMITED
MR. SAGAR UNDE – ASSOCIATE DIRECTOR BUSINESS DEVELOPMENT – PATEL RETAIL LIMITED

MODERATOR: **MR. SOUMIK CHATTERJEE – INVESTOR RELATIONS MANAGER – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to Q2 and H1 FY27 Results Conference Call of Patel Retail Limited hosted by Kirin Advisors. As a reminder all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing star then zero on your touch tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Soumik Chatterjee from Kirin Advisors. Thank you, and over to you, sir.

Soumik Chatterjee: Good afternoon, everyone. On behalf of Kirin Advisors, I welcome you all to the conference call of Patel Retail Limited. From the management team, we have Mr. Dhanji Patel, Chairman and Managing Director; Mr. Hitesh Sawlani, Chief Financial Officer; and Mr. Sagar Unde, Associate Director Business Development. With that, now I hand over the call to Mr. Sagar for the opening remarks. Over to you, sir.

Sagar Unde: Thank you, Soumik. Good afternoon everyone, and thank you for joining us. On behalf of the management team, I would like to welcome all our investors, analysts, and stakeholders to Patel Retail Limited earning call for the second quarter and first half of FY27.

For those joining us for the first time, let me briefly introduce Patel Retail Limited and our business. We began our journey in 1990 with a single grocery store, and today we have grown to operate 54 stores across Maharashtra under Patel's R Mart brand. Alongside retailing an established third-party brand we have developed our own manufacturing and food processing capabilities, enabling us to build a portfolio of private label products.

One of our key spice brands, Indian Chaska, which has expanded its distribution network across eight states and one union territory, in addition to serving the domestic market, we also have established export business, taking our products to international market. As we reflect on the first half of FY27, I am pleased to share that Patel Retail has made encouraging progress across its value-driven retail and food processing businesses.

We have continued to expand our retail footprint, strengthen our manufacturing capabilities, and extend the reach of our in-house brands. Together with our growing retail network and investment in processing and distribution infrastructure, these initiatives are helping us to build a stronger, more integrated business and create a solid foundation for sustainable growth.

As mentioned earlier, we currently operate 54 stores across our key market. Our expansion journey has introduced four new store additions at Rasayani, Bhiwandi, Uran, and Kalyan East. These additions have further strengthened our presence across the Mumbai metropolitan region and surrounding markets, enabling us to reach a wider customer base, particularly in emerging residential and semi-urban locations.

Alongside expanding our store network, we have continued to strengthen our food processing capabilities. During July, we commenced a new curry powder production line at our manufacturing facility. This addition strengthens our manufacturing capabilities and is expected to support growing demand for our products across domestic and export markets.

Our private label portfolio remains an important part of our growth strategy. Through brands such as Indian Chaska for spices, Patel Fresh for pulses, nuts, and dry fruits, and other private labels such as Tidymax and Blixo, we are expanding our presence across everyday consumer categories.

We believe our in-house brands allow us to offer quality products at competitive prices while strengthening customer engagement and supporting the overall economics of our retail business. We have also continued to widen the geographical reach of Indian Chaska. During August, we expanded the brand distribution into Madhya Pradesh, taking its presence to eight states and one union territory.

This expansion allows us to reach a broader consumer base beyond our existing market and provide an additional growth avenue alongside our retail operations. Following the close of the first half, we have taken further steps to strengthen our product portfolio. In October, we launched whole spices product under Indian Chaska, complementing our existing range of blended spices.

This addition broadens our product offering and enables us to cater to a wider range of consumer preferences across the spices market. We have also strengthened our store expansion pipeline by finalizing locations at Ghoti in Nashik district and Mangaon in Mahad region of Raigad district. The proposed Ghoti store will mark our entry into Nashik and take our retail presence to four districts in Maharashtra, while the Mangaon locations will further strengthen our presence in Raigad.

These planned additions are in line with our strategy of entering new markets and expanding our reach across emerging, urban and semi-urban locations. On our infrastructure side, our Ambernath distribution centre has been operating at full utilization reflecting the growing requirements of our expanding retail network. To address this, we have added additional 20,000 square feet of covered space at the facility, taking its total area from 64,000 square feet to approximately 84,000 square feet.

This expansion will enhance our warehouse capacity, strengthen inventory management, and improve the efficiency of our supply chain. It will also provide the necessary infrastructure to support our growing store network, ensure better product availability across locations, and accommodate our future business expansion.

Coming to our financial performance for the second quarter of FY27, total income stood at INR300.9 crores, registering a growth of 33.5% year on year compared with INR225.4 crores in Q2 FY26. EBITDA increased by 5.2% to INR20.5 crores compared with INR19.5 crores in the corresponding quarter last year.

EBITDA margin stood at 6.8% compared with 8.6% in Q2 FY26. Profit after tax stood at INR9.9 crores compared with INR10.1 crores in the corresponding quarter last year. PAT margin stood at 3.3% compared with 4.5% in Q2 FY26. For the first half of FY27, total income stood at INR611.1 crores, registering a growth of 49.6% year-on-year.

EBITDA increased by 13.6% to INR40.2 crores compared with INR35.4 crores in corresponding period last year. EBITDA margin stood at 6.6% compared with 8.6% in H1 FY26. Profit after tax increased by 13.9% to INR19.4 crores compared with INR17 crores in H1 FY26. PAT margin stood at 3.2% compared with 4.1% in the corresponding period last year.

Overall, our performance reflects continued growth in our retail operation, expansion of our distribution network, and strengthening our in-house product portfolio. While we have delivered substantial growth in income, quarterly PAT has declined slightly. We remain focused on improving operating efficiencies and strengthening portfolio -- profitability as the business scales.

Importantly, our operating cash flow improved to a positive INR31 crores during H1 FY27 compared with a negative INR83.4 crores for the full FY26. We also reduced current borrowings from INR109 crores as at March 2026 to INR89.3 crores as at September 2026. The outlook for organized value retail and packaged food products in India remains encouraging.

Changing consumption patterns, increasing demand for quality products at competitive prices, and the gradual shift towards the organized retail create opportunities for businesses within an established distribution network and strong local market understanding. We believe our integrated model combining modern retail format with the backward integration in agri-processing and in-house brand provide a platform to participate in this opportunity.

Looking ahead, our priorities remain certain on disciplined retail expansion, enhancing manufacturing utilization, strengthening our distribution infrastructure, and increase the market penetration of Indian Chaska and other private label brands. Indian Chaska has built a distribution network of over 350 distributors reaching to more than 50,000 retailers.

We will continue to strengthen this network while focusing on operational efficiency and prudent working capital management to improve the overall profitability of the business as we scale. We believe that our growing retail network, integrated food processing capabilities and expanding portfolio of private label brands positions Patel Retail well to build a larger and more efficient consumer business over the coming years.

Before I conclude, I would like to thank our customers, employees, suppliers, business partners, and shareholders for their continuous trust and support. We remain committed to creating sustainable value for all our stakeholders. With that, I would like now to take your questions. Thank you.

Moderator: Thank you, sir. The first question is from the line of Priya Jain from Green Capital. Please go ahead.

Priya Jain: Hello, good day, sir. I have a few questions with me. The first is on the Y-o-Y growth side. So income -- our income grew around 50% while EBITDA was around 40%. So what are the key driving factors for this and also how much of the revenue growth is translating into incremental operating profit?

Management: Yes, Hitesh, sir. Can you take this question, please?

Management: Yes, sure. So the key driver for our growing EBITDA is, you know, the proportionately increasing of our private level contribution as compared to previous year. And also we are focusing on our procurement efficiencies, strengthening our product label, and operating, you know, the product mix that is ultimately adding value to our bottom line.

Priya Jain: And sir, if we see Q2, the EBITDA grew 5.2% if we see the financials.

Management: Yes.

Priya Jain: But the PAT declined by 2%. So how do you see this? Also, should we expect further pressure on this?

Management: So importantly, despite the moderation in the gross margins, the company achieved growth in absolute EBITDA and the PAT during H1 2027. Okay? And other operating expenses also declined as a percentage of revenue, demonstrating better absorption of our operating base. So we do acknowledge that our cost of goods sold have proportionately increased as compared to a previous period, but you can also observe our other operating expenses are declining, that are offsetting each other, and we are focused that you know -- we are very focused and confident by using our product capacities and capabilities, we will achieve the same ratios that we have delivered before also.

Priya Jain: And sir, if you talk about operating leverage, then how should we see for the next two to three years?

Management: You can expect a growth -- double-digit growth.

Priya Jain: At what level of revenue growth or store maturity or manufacturing utilization can the company begin to realize meaningfully benefits from the existing cost structure?

Management: So we have already launched our, you know, our own private label brand Indian Chaska, and we are focusing more to expand our scale, to another level. And also the current capacity utilization is only 55% to 60%, and we are keen to increase the capacity. So ultimately by using this matrix we are likely to achieve our targets.

Priya Jain: Coming to the store sir, we have around 54 stores right now. And management is aiming for 75 plus. So can you just share some like timeline on this, when we are going to achieve this, and at what pace store addition should, you know, we expect?

Management: Yes, so regarding store additions, if you have seen our graph, we are not -- we are very much selective about the store location. If you see, we have never closed a single store till now after opening it. So our store opening matrix, the store location selection is very critical where we don't open store where we don't feel confident, about the store performance. And as you have seen, we'll be adding around eight to ten stores each year, and that's what we are working on. So already we -- there are multiple locations which we are right now finalizing and under discussions in the nearby cluster.

Priya Jain: Also sir, one question in this payback time. So the company, you know, like currently average store payback period is approx two years. So what are the key adjustments underlying this payback period, particularly in terms of sales ramp-up or margin -- I mean gross margin, rental cost, and the store-level operating expense?

Management: So initial -- our cash outflow for opening any new store is almost 1,500 per square feet capex, and 2,000 per square feet is our inventory. So you can consider as a INR1.75 crores to INR2 crores is my initial capex. And to recover that, we require almost 24 months.

So you know, initially we achieved gross margins of -- in the range of 16 to 17, and later on 20 and above. If you ask me the, you know, the expenses ratio from like the journey from my gross profit to EBITDA, so almost you can say 2% is my utility expenses. Staff cost is almost 3.5% to 4% and other expenses are in the range of let's say 4.5% to 5% and roughly get EBITA of 7% and above from our retail business.

Priya Jain: So one last question sir, I heard that you are opening a store in Navi Mumbai, right? I being a resident of Khargar, where it is -- where are you going to open this new store of yours?

Management: Yes, so we -- in the Navi Mumbai region, we are, like, I won't be able to disclose the location right now, but yes, we are definitely, identifying few locations in Navi Mumbai area, and soon we'll be, like, disclosing the location, ma'am. Soon you will find somewhere nearby in Navi Mumbai.

Priya Jain: Okay, we're looking forward to the updates, sir. That's it from my side, thank you.

Management: Yes, yes, definitely. Thank you.

Moderator: Thank you. The next question is from Yash Rathod from Unique Solution. Please go ahead.

Yash Rathod: Hello, am I audible?

Management: Yes, Yes, you're audible.

Yash Rathod: Good day, sir. Sir I have few questions with me. The first question is operating cash flow improved to INR31.01 crores in H1 FY27 compared with negative operating cash flow of INR83.47 crores in FY26. What were the key drivers of this improvement and what level of operating cash flow generation can this business sustainably support?

Management: So the basic key driver which is, you know, marking our cash flow positive is recovery of our debtors. During six months, the company has recovered almost INR29 crores and above from our debtors. And also we have able to more efficiently rotate our working capital cycle to generate the -- more liquidity into the business.

Yash Rathod: Okay, so my next question is inventory increase from INR259.60 crores in FY26 to INR282.19 crores in H1 FY27. How does management assess the optimal working capital requirement for the business and what is the scope for improving inventory turnover and the cash conversion cycle?

Management: See, Rathod sir, we have basically two business models, retail and non-retail. As far as non-retail is concerned, we require intensive capital into our inventory to meet our demand. Okay? So normally we rotate our working capital cycle more than four-times to five- times in a year, and we procure at a particular time to deliver at, you know, scheduled delivery.

Yash Rathod: Okay, understood. And sir, how does management intend to optimize the product mix within manufacturing and processing between own-label products, third-party brands, and processing activities? Which categories offer the greatest opportunity for improving segment profitability?

Management: So we see opportunity in our own private label brand Indian Chaska where we have enough demands and orders in our hand, and we are more you know efficiently using our in-house capacity at our plant to, you know, efficiently rotate our inventory.

Yash Rathod: Okay. Thank you, sir. That's it from my side.

Moderator: Thank you. The next question is from Aditi Jain from Wealth Management Consultancy. Please go ahead.

Aditi Jain: Hello sir. Hello. Good afternoon.

Management: Good afternoon.

Aditi Jain: Sir, following the expansion in Ambernath Distribution Centre almost to a, 84,000 square feet. How much additional store network can the facility support?

Management: Yes, so, this was a strategic move which we have done. Right now, we feel, under the existing cluster, we can open a few stores. So around 10 to 15 stores more, which we feel right now which can be -- more we can -- we can accommodate in this existing distribution centre.

Aditi Jain: Okay. And what are the investment requirements and operational milestones for replicating this distribution model in other clusters?

Management: Ma'am, can you repeat your question? I didn't get your question.

Aditi Jain: Sir, I asked what are the investment requirements and operational milestones for replicating this distribution model?

Management: Okay, so Hitesh, sir, can you answer this question for a new store?

Management: You are asking about the new store opening, right?

Aditi Jain: Yes, overall like investment requirements.

Management: Yes, Hitesh sir, can you answer?

Management: Sure. So as I said earlier, madam, we normally operate our retail store in the range of 6,000 square feet to 7,000 square feet. That is the average size of our any store. And the initial capex is 1,500 to 1,600 and the inventory that we maintain at our store is 2,000 to 2,100 per square

feet. So roughly INR2 crores and above is our initial, you know, our cash outflow, and the payback period is 24 months.

Aditi Jain: Okay. As for the current status, the current borrowing declined almost from INR110 crores to INR89 crores in H1 FY27. So considering this company's expansion, how should investor like assess its future funding?

Management: Madam, the slight decline is on account of the new store that haven't reached the maturity phase yet. You can see since our last two years, we have added multiple stores, more than I believe 12 to 15 stores have been added, those who are under the maturity phase yet. So company is very much confident in coming six months we are likely to achieve the maturity phase and the resulting figures will be, you know, speak itself.

Aditi Jain: Okay. Indian Chaska recorded almost INR7 crores in H1 FY27, supported by 350 plus distributor and 50,000 retailers across the eight states, how does management plan to convert this expanded distribution base into higher sales?

Management: So regarding Indian Chaska ma'am, we are at very initial stage and we are very confident right now. The strategy is, we want to go more deeper into the existing market which we have reached. Like as you have seen we have into eight states right now, eight states and one union territory. We are trying to go deeper into those states and utilize the full capacity what these distributors can, whatever we have created and get maximum out of this rather than going wider. So we are very confident. Yes, our plan is to go pan-India but as I shared, we want to go more deeper than wider.

Aditi Jain: Okay, and what revenue scale brand can achieve over the next few years?

Management: Revenue from Indian Chaska you are talking about now?

Aditi Jain: Yes, yes.

Management: So regarding Indian Chaska, we are very confident. I won't be able to disclose the number right now what we have played, but I would like to say here that, under Indian Chaska we are increasing our basket of the product.

As you have seen that, you know, earlier it was just the blended spices, and so recently we have launched a basket of entire whole spices under the same brand. And soon you will be seeing other SKUs entering the same. So the revenue coming from Indian Chaska will be something that, you know, investors or you will be happy to see the growth.

Aditi Jain: Okay, thank you, sir.

Moderator: Thank you, ma'am. The next question is from Pranav Mukherjee from Mavi Capital. Mr. Pranav, please go ahead.

Pranav Mukherjee: Hello, am I audible?

Management: Yes, sir.

Management: Yes. Pranav you are.

Pranav Mukherjee: So a very good afternoon, sir, and first of all, congratulations for the new store in Nashik.

Management: Thank you.

Pranav Mukherjee: Okay, sir, so my question is, the company has installed processing capacity over 1,50,000 metric tons per annum across its facility. What is the current capacity utilization and what level of increment revenue and EBITDA can be generated from the existing asset base, further capacity expansion is required?

Management: So the current capacity utilization, Pranav, is almost 55%, and we are very much keen to say that utilization can be improved up to 80%, 85%, you know, going forward in the coming period. And the EBITDA margin over time will also improve almost by, you can say, 100 basis points and above.

Pranav Mukherjee: Okay, sir. And my next question is, private label products contributed 17.6% of quarter two financial year '27 retail revenue. So what is the medium-term opportunity for increasing private label penetration, and how does management balance margin improvement with consumer acceptance, product quality, and brand building investments?

Management: Yes, so regarding the private label, we are very much focused on increasing the contribution of the private label. As you have seen, over the period, yes, we have been increasing our brands. Earlier it was Indian Chaska for spices, Patel Fresh for pulses and all.

Now recently we have introduced new brands in our household categories where customers are -- the customer reviews and customer references, this product is being picked from the shelves. And we are very confident that over the period, this 17.6%, we can take it to around 22%. And definitely, being a private label, if the revenue mix and this will definitely increase our overall margin in the business.

Pranav Mukherjee: Okay, thank you, sir, for the opportunity. I'll join back the queue.

Moderator: The next question is from Tejal Deshmukh from Apex Capital. Please go ahead.

Tejal Deshmukh: Hello.

Management: Yes, ma'am.

Tejal Deshmukh: Sir, I'm Tejal, not Kejal, first of all. Sir, EBITDA margins have come down from 8.67% in H1 FY26 to 6.58% in H1 FY27. What has led to this decline, and do you see margins improving as the business grows? So what would be a sustainable margin level going forward?

Management: So madam, the EBITDA margin decline is primarily attributable to the higher cost of goods sold as a percentage of revenue, resulting in gross margin compression. However, madam, despite this pressure, H1 EBITDA increased by 13.62% to INR40.24 crores. Supported by strong revenue growth of approximately 50%. So going forward, our focus is on procurement

efficiency, improving product mix, higher capacity utilization, and operating leverage to strengthen EBITDA margins sustainably.

Tejal Deshmukh: Sir, manufacturing and processing contributed 63% of H1 FY27 revenue, while retail contributed 37%. So could you share the EBITDA margins for both segments and how much capital it requires? Also, which segment is generating better returns on incremental capital?

Management: So madam, we have an opportunity, you know, to earn from both segments almost in the same range, and we maintain the same ratio in going forward also. Currently you are, you know, observing decline in our retail sales is on account of non-season period.

Since Diwali has already started, so Q3 quarter will be more, you know, dominant than the non-retail. So it's all about the season in the market, and you can say the operating margins from our non-retail business almost in the range of 7.5% to 8%, and the retail margin is in the same, almost 6.5% to 7%. Hardly there's a difference of 100 basis points.

Tejal Deshmukh: Okay, sir, when the company plans to expand into new districts while strengthening its presence in Western MMR, Pune, PCMC. So how does management evaluate the potential of these markets and how much of a contribution does it expect from new districts over next few years?

Management: So regarding the expansion, as you are aware that, you know, our strategy is very clear that we only expand our cluster -- cluster-based model. So if you see, our existing cluster, we have around 54 stores. We feel that in the existing cluster there are some areas which are underserved and where the organized retail players are not, still yet -- reach those locations.

So our first focus is very clear that, you know, we need to reach and be at the place and get the first mover advantage where the organized retail are not there. So we open the stores and people are already intent towards the modern retail format. So our next target will be to look after the adjoining, clusters.

So for example, we will be moving towards the Western Line, where the Virar, Vasai, Bhayander, those sites we might -- we might open our new stores. Also, as we have opened our first store in Nashik district, we are exploring few more locations in nearby Ghoti or Nashik district.

So there's opportunity or potential of having one more cluster that side as well. And we have already shared earlier, we are also exploring places around PCMC areas. So those -- that is also one potential cluster which management is looking at in coming future.

Tejal Deshmukh: Okay.

Management: Yes, ma'am.

Tejal Deshmukh: Investments required across retail expansion, manufacturing, and distribution. So how does management decide where to allocate the capital, and are there any specific return targets or payback periods that project must -- that a project must meet before the company commits to it?

Management: So madam, we conduct a thorough study before investing into any, you know, in the particular location. And we are targeting in the tier 2 and tier 3 cities where the crowd is almost, like different from our metro settings. And our capital allocation is almost depend upon the -- depend upon the store size, as I said earlier also.

Tejal Deshmukh: Okay. Okay, sir. Thank you so much.

Moderator: Thank you, thank you. Tejal ma'am. The next question is from Kunal Kubedia as a Retail Investor. Mr. Kunal please go ahead Mr. Kunal, your line is open.

Kunal Kubedia: Hello. My question is, sir, will you increase the prices of the products and pass on the margins to the customers? I mean, to have the retail margins, will you pass on the cost to the customers or not from the next quarters and also I want to know that in the last guidance, what was the margin guidance and what you delivered this quarter?

Management: Sorry sir, I was not able to understand the question. Can you just repeat your question please? We're not able to understand.

Kunal Kubedia: My question is that will you increase the cost of your products to get good margins in the future quarters? And also I want to know that the margins you guided in the last quarter were not met, I think so.

Management: Yes, I think so your question is regarding margin which -- will it be same or will it improve, right? So as, Hitesh has already shared, yes, quarter one and quarter two in retail business and what the business vertical which we are working are moving forward. Quarter three and quarter four will be -- you will see better growth into -- in margins as what we have discussed earlier. Definitely we'll see improvements, Yes.

Management: I will add here. So your concern is whether considering the, you know, higher cost of goods sold, we may increase our selling price also. So to answer to your question is, you know, we are generally focusing on the better procurement and product mix. You know, the operational efficiency is enough to cover these escalations.

You have also observed that other expenses have declined in the same proportion what cost of goods sold have increased. So both have offset each other. So management is very much confident we may not require to increase our prices but prices are based on the market calculations and the competitive market, you know. So we are not looking forward to increase in our -- any increase in our selling price. We have a strategy to maintain the same ratios by using more operating leverages.

Kunal Kubedia: Okay, one more question I have that from your exports, how much margins you expect in the future quarters?

Management: So for now, we cannot give that, you know, going forward statements on call. Roughly, we can estimate a growth only. But we cannot provide absolute number and projection.

Kunal Kubedia: Okay, but you can say some expectations, how much can we keep?

Management: So touch wood, we are expecting a double-digit growth.

Kunal Kubedia: Okay, thanks. Happy Diwali and Happy Danteras.

Management: Yes, thank you.

Moderator: Thank you, Kunal, sir. The next question is from Sid Malhotra from Mehta Family Office. Please proceed, Mr. Sid.

Sid Malhotra: Hi, am I audible, sir?

Management: Yes, perfect.

Management: Yes, good.

Sid Malhotra: Sir, first question is, how does the company manage raw material volatility to impact gross margin, and what extent can increase in the procurement cost passed on the customer? Hello?

Management: Your question is how the company manages.

Sid Malhotra: Manages the raw material.

Management: Procurement of the raw material basically the procurement band, right?

Sid Malhotra: Yes, Yes.

Management: So sir we have already maintained our stock level enough meet our demand as that our balance sheet you can see my inventory is almost INR282 crores and above. So there is a season of procurement at particular time, at particular volume to be ordered, and we have closely monitored it.

We have maintained the enough inventories to meet our enough, you know, demands for next 12 months for the coming period also. And we have a, you know, dedicated separate team who continuously observe the rates at ground market. We are also, you know, strategy over, you know, like forward contracts and the derivatives wherever it is required.

Sid Malhotra: Okay, okay. Got it, sir.

Management: Adding to that, as we have consumer products into spices, we need to make sure, you know, we have a consistent quality of the spices. So during the season, we stock the quality raw materials at our facility so that over the period, for the entire year or for the maximum period, we maintain the quality of -- same quality of our finished goods to the consumers.

Sid Malhotra: Okay, okay, so I got it. So do we hedge commodities?

Management: Yes, Yes, we do hedge. We do hedge. Yes.

Sid Malhotra: Okay, okay, sir, got it. And to what extent can increase in procurement cost be passed to customers? So could you please, provide a taste?

Management: So I haven't got your question. Please repeat

Sid Malhotra: To what extent can increases in procurement cost be passed to on customer?

Management: See it's all about the market condition. Based on our experience we take decisions when and how to hedge a particular proportion. So considering the, you know, geopolitical condition in the market and all that, I cannot specify the exact percentage or volume as such, but yes, internally we observe we have a dedicated team who does this, you know, this specialized job.

Sid Malhotra: Okay, so got it. Sir, so my next question is, how does our company differentiate itself from organized grocery retail, regional supermarket chain, established FMCG brands? And where does the management believe the company has sustainable competitive advantages in terms of sourcing, pricing, distribution, reach, or the private labelling?

Management: Sagar, can you please add here?

Management: Yes. So if you see, Patel Retail is a neighbourhood store. What our -- and, like, what our strategy always is that, you know, we open a store where the locality, you know, it, you, you might -- you may find a Patel Retail store next to your society. You know, you don't have to go away 15 or 10 kilometres away from your locality just for the shopping of your groceries.

As you might be comparing it with our big organized retail players, our store is a neighbourhood store where, you know, you might find it very next to your society. Second, our format is, our average store size is around 5,000 square feet to 6,000 square feet. And we try to accommodate maximum categories in that area.

Second, you see, we have a -- unique categories as per the locality. Just to give an example, if you see our store in a locality where there is a maximum population of South Indians, you might see a different rice, papadam, which South Indian people try to have. So we mix -- we plan our store basket as per the locality which we are serving.

So each store or maximum store you will see that you know it has a different SKUs in different store which we do it as per our research. Before opening the store we do our analysis research which locality, what are the requirements of the locality? On that basis, we design our basket size and basket SKUs.

Sid Malhotra: Okay, and with the retail network expanding from 30 stores in FY23 to 54 stores in H1 FY27, so how does the productivity evolve across the whole store portfolio? And could you -- could management provide visibility on the same-store sales growth?

Management: Yes, so regarding same-store sales growth, we are having growth of around 7% to 8%, over the period. And regarding the store, if you have seen, we have opened multiple stores in recent which are yet to get mature. So we are very confident that our stores where we have opened, they'll definitely give this same-store sales growth over the year.

Sid Malhotra: Okay, sir, and what's the average per store revenue and the time taken for a new store to reach maturity?

Management: So we see, Hitesh, sir, will you be able to answer this. Can you please answer this question?

Management: Yes, so average revenue of per store in the range of INR12 crores to INR15 crores and the operating margins of the store in the range of 7%.

Sid Malhotra: Okay, got it. And which three to five operating and financial indicators should investors track over the next 12 months to 24 months to assess whether the company's growth strategies are translating into the sustainable profitable outcome?

Management: No, I haven't got your question, sir. Please, if you can.

Sid Malhotra: Yes, which three to five operating and financial indicators should investors track over next 12 months to 24 months to assess whether the company's growth strategy is translating into sustainable, profitable, and improved capital efficiency?

Management: So the investor should track our cash flow. You can see the -- despite of the moderate margin we have improved our liquidity position a lot. Since, you know, from March 26th it was negative INR83 crores, now it is INR31 crores, and now it is positive. One is this factors. Apart from this, we have sustainable PAT margins, we have sustainable EBITDA growth, we have enough, you know, revenue growth. So all these are the drivers investors should track.

Sid Malhotra: Okay, sir. Thank you, sir. That's all from my side.

Moderator: Thank you, sir. Ladies and gentlemen, as there are no further questions, I now hand the conference over to Mr. Soumik Chatterjee from Kirin Advisors. Please go ahead, sir.

Soumik Chatterjee: Hello everyone. I will hand over the call to Mr. Dhanji Patel for saying few words. Over to you sir.

Dhanji Patel: Finally I want to thank all the shareholders from the bottom of my heart. You have believed in Patel Retail and you have helped us in our growth journey. Your faith in the business has motivated us to look for opportunity to move the business forward. In the coming future our focus will be to make the business stronger, to increase our market presence and create long term value for our stakeholders.

I believe you will continue to have faith in our business. Thank you to all of you. Advance Diwali greetings to you all and Happy Danteras. Thank you all.

Moderator: Thank you, sir. Over to Soumik sir.

Soumik Chatterjee: Yes, so thank you everyone for joining the conference call of Patel Retail Limited. If you have any further queries, you can reach us at research@kirinadvisors.com. Once again, thank you everyone for joining the conference.

Moderator: Thank you. On behalf of Patel Retail Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines thank you.