

PATEL RETAIL LIMITED

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Friday, November 21, 2025

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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
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Subject: Transcript of "Q2 & H1 FY26 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 FY26 Earnings Conference Call** held on **November 19, 2025**.

The said Presentation will be simultaneously posted on the Company's website at <https://patelrpl.in/wp-content/uploads/2025/11/Q2-H1-FY26-Results-Conference-call-transcript-Patel-Retail.pdf>

This for information, dissemination and record purpose.

Yours Sincerely,
For Patel Retail Limited

Prasad Ramesh Khopkar
(Company Secretary & Compliance Officer)

Enclosure: Transcript of Earnings Conference Call.



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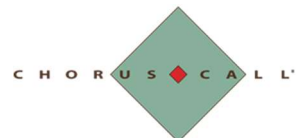
**“Patel Retail Limited
Q2 & H1 FY '26 Earnings Conference Call”
November 19, 2025**



PATEL RETAIL LIMITED
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Kirin Advisors



**MANAGEMENT: MR. DHANJI PATEL – CHAIRMAN AND MANAGING
DIRECTOR – PATEL RETAIL LIMITED
MR. RAHUL PATEL – CHIEF EXECUTIVE OFFICER –
PATEL RETAIL LIMITED
MR. MANISH AGARWAL – CHIEF FINANCIAL OFFICER
– PATEL RETAIL LIMITED
MR. HITESH SALWANI – VICE PRESIDENT, ACCOUNTS
AND FINANCE – PATEL RETAIL LIMITED**

**MODERATOR: MR. HARSHIL GHANSHYANI – KIRIN ADVISORS
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY '26 earnings conference call of Patel Retail Limited hosted by Kirin Advisors Private Limited. 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 touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Harshil Ghanshyani from Kirin Advisors. Thank you and over to you.

Harshil Ghanshyani: Yes, thank you. Good afternoon, everyone. On behalf of Kirin Advisors, I welcome you all on the conference call of Patel Retail Limited for Q2 and H1 FY '26. From the management team, we have Mr. Danji Patel, Chairman and Managing Director. Mr. Rahul Patel, Chief Executive Officer. Mr. Manish Agarwal, Chief Financial Officer. Mr. Hitesh Salwani, Assistant Vice President, Accounts and Finance.

Now I hand over the call to Mr. Rahul Patel for the opening remarks. Over to you, sir.

Rahul Patel: Good afternoon, everyone. Thank you. Good afternoon, everyone. It gives me great pleasure to welcome you all to Patel Retail Ltd.'s first investor conference call after a successful listing on NSE and BSE in August 2025.

On behalf of the entire management team, we extend our heartfelt gratitude to all our shareholders, investors and partners for their continued trust and support in our journey. The past few months have been an exciting period for Patel Retail as we continue to strengthen our business fundamentals, expand our footprint and build on the strong foundation laid over three decades of operation.

This being our first post-listing interaction, I would like to begin by sharing a brief overview of who we are and the direction we are heading towards. Patel Retail Limited is a value-driven retail and FMCG company integrated covering retail, manufacturing and exports.

Starting with a single grocery outlet in 1990, we have today evolved into one of the most trusted neighborhood supermarket chains in the Mumbai metropolitan region, operating 47 stores across Thane and Raigarh with over 2.03 lakhs square feet of retail space. Our cluster-based expansion model ensures strong local market dominance, supply chain efficiency and cost control. We serve India's growing lower middle and aspiring upper middle-class consumers with a wide range of groceries, staples, FMCG and general merchandise products.

Our business operates through two synergetic segments. So, our business operates through two synergetic segments, retail and non-retail. The retail division contributes nearly half of our total revenues while the non-retail segment which includes processing, manufacturing and exports drive margin stability.

We have vertically integrated facilities across Maharashtra and Gujarat including Amritsar and Kutch with a combined capacity of over 1.43 lakh metric ton per annum. These units handle a



broad portfolio of pulses, spices, floss, peanuts, sesame and mango pulp. This integration not only strengthens our supply but also supports our private label and export businesses.

Our in-house brand, Patel Fresh, Indian Tesco, Blue Nation and Patel Essentials continue to gain strong traction and presently contribute around 17% of retail revenue which we aim to increase to over 35% in the medium term. The second quarter was marked by a solid operational progress across both business segments. We opened our 46th store in Kalyan further strengthening our presence in the fast-growing suburban cluster of Mumbai.

On the export front, we secured new international orders worth INR22 crores taking our total export order book to around INR50 crores. These orders span markets such as the UK, Canada, Australia and New Zealand reflecting growing global confidence in our quality and brand reputation. Our distribution centre at Ambarnath continue to support efficient last mile delivery through a robust hub and spoke logistic network ensuring smooth replenishment across all stores.

The Patel RMart mobile app also continued to gain traction driving higher repeat purchases and enhancing our omnichannel retail presence. Now turning to the financial performance of the quarter and half year ending September 2025. We had a very strong second quarter in fiscal year 2026.

Our total income grew 14.97% year-on-year to INR225.43 crores. We significantly improved our profitability with EBITDA climbing 31.37% year-on-year to INR19.55 crores bringing our EBITDA margin to 8.67%, an increase of 108 basis points.

Our PAT showed exceptional growth, surging 73.20% year-on-year to INR10.14 crores and our PAT increased by 151 basis points to 4.50%. This excellent quarter resulted in an EPS of INR3.59, reflecting a 49.58% growth. For the first half of FY '26, we successfully maintained our growth trajectory. Our total income for the half year reached INR408.63 crores marking an 8.97% year-on-year increase. We grew our EBITDA by 18.60% to INR35.43 crores achieving an EBITDA margin of 8.67%, which shows an improvement of 70 bps.

Our PAT for H1 increased by 42.52% year-on-year to INR17.06 crores with PAT percent improving by 98 bps to 4.18%. Overall, our EPS for the first half of the year was \$6.42 representing a solid 30.75% growth. These results underline our steady growth trajectory and the benefits of an integrated business model.

Looking ahead, we remain focused on expanding our retail presence beyond Thane and Raigad into western MMR suburbs and Pune, followed by entry into cities across Maharashtra and western India. We plan to increase our store count to 60 plus by financial year '27 supported by disciplined cluster-based expansion.

At the same time, we will continue to enhance capacity utilisation across our Ambarnath and Kutch processing units and invest in automation to improve productivity and cost efficiency. We are also prioritising the growth of private labels, digital engagement and exports to drive margin improvements and build long-term brand equity.

This initiative, together with prudent financial management and a strong operational framework, positioned Patel Retail for a sustainable and profitable growth in the country. In closing, I would like to thank our entire team for their dedication and our customers for their continued trust in Patel brand. Our vision is to make Patel Retail a leading regional value retail chain with national aspirations combining affordability, accessibility and trust.

With a solid business model, experienced management team and clear strategic roadmap, we are confident of maintaining our growth momentum and delivering long-term value to our stakeholders. Thank you for joining us today, and now we look forward to addressing your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. We will take our first question from the line of Aditi Roy from Patel Advisors Private Limited. Please go ahead.

Aditi Roy: Yes, so my first question is your retail footprint has gone to 47 stores with zero closures since inception. Sir, I just want to understand what are the key operating parameters you monitor before approving a new location and how do you maintain such a high success rate?

Rahul Patel: Thank you for the question, Aditi. So, we have a very rigorous model when we identify a store. So, it starts with catchment and market analysis. So, that's basically evaluating the population and identifying the income profile and the buying behavior of the consumers who will be serving. And the second part, we have always been a neighborhood supermarket. So, prioritizing our location is very important for us.

And then the biggest concern in any retail business is to reduce the fixed cost, right? So, our financial viability plays a very important role. We make sure our per square feet cost is as low as it gets. It should range anywhere between INR10 to INR12 per square feet. And to cater all of this, it should sit besides our cluster-based -- we operate in a cluster-based model. So, we make sure it's within 60 to 100 kilometers of our facility or from where we do the supply chain. That's basically a process that we follow before we finalize any location, any store.

Aditi Roy: Okay, sir. Sir, I have another question. Given the cluster-based model, 60 to 100 kilometer radius, how do you assess saturation and what is the ideal store? And given the cluster-based model, 60 to 100 kilometer radius, and how do you assess saturation for a specific cluster? And what is the ideal store density for a cluster for optimal operating leverage?

Rahul Patel: So, the cluster-based model. So, 60 to 100 kilometers is from where I just didn't understand your question.

Management: Ma'am, can you repeat the question, please?

Aditi Roy: Yes, sir. I just want to understand. Your cluster-based model is around 60 to 100 kilometer radius, right?

Rahul Patel: Right, yes.

- Aditi Roy:** So, how do you assess saturation for a specific cluster? And what is the ideal store density per cluster for optimal operating leverage?
- Rahul Patel:** Ideal store density in what terms and saturation in what terms, ma'am?
- Management:** Ma'am, the thing is our distribution center is situated in Ambernath. So, if you see as of now, all our stores are situated in those related areas like Kalyan, Ulhasnagar, Ambernath, Badlapur, so and so forth, which the farthest store is around 62 kilometers from us, okay? So, currently, our DC has the capability to, you know, we can open more five stores. So, once that is saturated, we will open -- we will look for setting up a new distribution center at some place where we want to grow, like Mira Road, Bhayandar, etcetera.
- Aditi Roy:** Okay, sir. Got it. So average store payback is around two years. And what factor differentiates stores with 18 months payback versus stores that take longer?
- Management:** Ma'am, can you please repeat again?
- Aditi Roy:** Sir, our average store payback is around two years.
- Moderator:** Aditi, can you use the handset please?
- Aditi Roy:** Yes, ma'am, I am using that only. Our average store payback is around two years. Correct, sir?
- Management:** Yes.
- Aditi Roy:** So, what factors differentiate our stores with 18 months payback versus stores that take longer time?
- Management:** Ma'am, for a new store, basically, our investment is around -- just a second.
- Management:** So, our investment is around INR1,500 per square foot for the construction cost and INR2,000 per square foot for the inventory.
- Aditi Roy:** Okay, sir. And sir, what is your KPI framework for store managers? Means, revenue versus store and what is your conversion rate, shrinkage, payroll cost or something else?
- Management:** Ma'am, for the store in the first year, we expect around INR80 lakhs per month income. So, for a full year, it would be around INR9.6 crores.
- Aditi Roy:** Okay.
- Management:** And our EBITDA is around 5%, okay? So, in that way, our payback period comes to around two years.
- Aditi Roy:** Okay. Got it. And sir, how much of store labor is full time versus contract? And how sensitive is store level profitability to wage inflation?
- Management:** Ma'am, in our stores, average employees are around 20, okay? Out of that, four are on payroll and the rest are on contract basis.

Aditi Roy: Okay, sir.

Management: And what was your other part?

Aditi Roy: How sensitive is store level profitability to wage inflation?

Management: Ma'am, profitability for each store is important. We constantly monitor on a one-to-one basis how a store is performing. And with respect to inflation, ma'am, as this is commodities that we purchase and manufacture, the MRP keeps on changing to cater the risk of inflation.

Moderator: Next question is from the line of Ishita Sen from Urban Consultancy. Please go ahead.

Ishita Sen: Yes. Thank you for this opportunity. So, ma'am, what is the long-term aspiration for Patel Retail Regional Leadership and expansion or a hybrid domestic plus global FMCG model?

Rahul Patel: Hi, Ishita. So, as a Patel Retail, we have a very clear base, right? Do one thing and do one thing very properly. So, even moving forward, food is where our focus is going to be. And to increase our bandwidth, obviously, we are going to open a lot. We are going to open 10 to 15 stores per year.

We have already started our export expansion. We are trying to get more clients on board within the premium countries, that's UK, Canada. And in terms of processing, we have already launched our brand Indian Chaska for the blended spices. Moving forward, we plan on expanding it to the pan-India level and to add more SKUs in the similar range of blended spices, ready-to-eat and all of those things.

Ishita Sen: Okay. So, like what proportion of future revenue mix like retail versus non-retail would represent the ideal and structural balance for stable margins?

Rahul Patel: It would anywhere range between, let's say, it would either be 45-55-50-50 because we plan on growing both at the same base, right? So, at any given point, our contribution will always be 45-55-50 in those terms.

Ishita Sen: So, how do you envision the company's identity evolving the value-rated chain or SMCG manufacturers, export, house, or an omni-channel platform?

Rahul Patel: You are, there was a crack in your voice. Can you please repeat the question?

Ishita Sen: Am I audible?

Rahul Patel: Yes. Yes, please.

Ishita Sen: Yes. So, how do you envision the company's identity evolving the value-rated chain, SMCG manufacturers, export, house, or an omni-channel platform?

Rahul Patel: So, we believe in providing values to our customer. Whatever investment they are doing, we try to give them as much value as we can. And those. So, even moving forward, we want to known as a value-driven entity. Be it in the field of export or retail or be it our own private labels. That's

where we aim for to always give our consumers value for their money. So, we would like to be identified as value-driven.

- Moderator:** Thank you. Next question is from the line of Naitik from NV Alpha Fund. Please go ahead.
- Naitik:** Hi, sir. Thanks for taking my question. So, just wanted to clarify on the store economics that you mentioned. So, you mentioned the capex per square feet is around 1500 while the inventory per square feet is close to INR2,000, right?
- Management:** Yes.
- Naitik:** Right. And what would be the average store sizes for us?
- Management:** So, currently, the average store size comes around 5500 to 6000. Moving forward, the average store size will grow because now all the new stores that we are opening, we are looking at around 6000 to 7500 square feet area.
- Naitik:** Right. Got it. And the 5% margin you mentioned, that would be after paying the rent, right? Yes, that would be. No. So, that includes the rent expenditure. I mean, rent expenditure has been taken care of in the 5%. Yes.
- Management:** Yes. Yes.
- Naitik:** Got it. Got it. So, my second question is, can you break up the margin differential between, say, the retail business and the non-retail business? Because there are two or three verticals that would come under the non-retail business. So, if you could give some more color on what sort of margins you make in, say, non-retail domestic in exports, etcetera. So, that would be really helpful.
- Management:** So, for the last financial year, that is fiscal year '25, okay, out of our total part of INR25.27 crores, okay, our retail made a part of INR9.5 crores and the remaining is from the non-retail sector.
- Naitik:** And, sir, in terms of retail presence, we largely want to restrict ourselves to Maharashtra only or are we able to expand beyond Maharashtra?
- Management:** So, as I said earlier, because our distribution center as of now is in Maharashtra, especially in Thane, we are acquiring opening stores in our nearby areas. But now, we are planning to go beyond this and we are targeting Tier 3 cities such as Mira Road, Bhayandar, etcetera. We have opened one store after the first quarter in Palghar and we are also planning, like we have identified some places in Pune. So, we will be going out of Maharashtra, we will be going to Pune. As of now, that is the plan.
- Naitik:** Right. And, sir, what do you think is the potential, you know, I know you mentioned 60 stores by 27, but what is the potential that a state like Maharashtra can house, you know, how many stores can we sort of imagine ourselves opening in entire Maharashtra?

- Management:** Actually, I would say there is no limit per se, but if you see, like for an example, in a city like Kalyan, we have seven stores. So, it is, for us to open a store, it is a mixture of two things, the population there and the rent for which we can acquire the store. So, based on that, but the potential is there. Still, majority of the public prefers, to go to a nearby store and get quality products.
- Naitik:** Got it. And, sir, my last question, since you mentioned rent is a very crucial element, so for us, what would be typically rent as a percentage of sales for currently, as a percentage of retail sales?
- Management:** 3%.
- Naitik:** 3%.
- Management:** Yes.
- Moderator:** Thank you. Take our next question from the line of Abhishek Sharma, an Individual Investor. Please go ahead.
- Abhishek Sharma:** My first question is, what percentage of revenue comes from the R-Mart app today? And what is the three-year target for retail contribution?
- Management:** So, currently, for this half year, our retail sales as a percentage of total sales was 50%. And moving forward, also, because we are growing both the sectors, it will be around 50% to 55%.
- Abhishek Sharma:** And how much of app demand is fulfilled through click and collect versus home delivery?
- Management:** Sir, when you say click and collect means, can you just explain what do you mean by click and collect? All the customers that come to our stores, they have two options. They can buy the product and take it with them, or they can opt for a facility wherein we deliver the products to them at their home free of cost. So, as of now, I would say around 55% to 60% of the customers opt for that home delivery facility.
- Abhishek Sharma:** Okay. And sir, my last question is, do you plan to introduce instant delivery, quick commerce via dark stores, or will you scale through the current retail store model?
- Management:** Okay. So, sir, currently, we have a mobile application wherein orders are placed online, and we deliver the goods the next day. We use our stores as a network and dark stores also. So, we are in a process of upgrading our user interface of our applications, wherein we are planning to deliver the goods first within the same day, and then we'll try to start reducing the time.
- Moderator:** Thank you. Next question is from the line of Subhanu from 3 Head Capital. Please go ahead
- Subhanu:** Sir, can you tell me how around 50% revenue come from non-retail? How much revenue, out of the non-retail revenue, how much revenue come from export and how much revenue come from manufacturing?
- Management:** Sir, for the first half year, it is around 50% domestic and 50% export.

Subhanu: Domestic means manufacturing?

Management: No, out of our non-detail sales, Yes, manufacturing sales, 50% of the products are sold in domestic market and 50% are exported around.

Subhanu: Hello, sir. Can you clarify me again?

Management: Sir, let me explain you. Our sale of products was INR400 crores. Our operating revenue was INR4 crores. So, our revenue from operations comes to INR404 crores. Out of that, our retail sales, retail sales is all domestic, which is INR200 crores. Okay. Remaining our non-detail sales is INR199 crores...

Subhanu: Then how much come to --sorry, continue.

Management: Yes, you were saying something. Tell me.

Subhanu: Out of this non-retail sales, how much come from export and how much come from manufacturing?

Management: Okay. Sir, export or domestic, it will be. We manufacture and some of the products we trade. So, bifurcation will be of total non-detail sales into domestic and export.

Subhanu: Okay. Okay. I understand.

Management: So, we also export our manufactured goods. We also sell it in domestic market. If that is the question you have, Yes.

Subhanu: Okay. Thank you. My second question is, if I look our our non-detail revenue mix continue going down. But you are guiding around our non-detail and retail mix will be 45%-50% or 50%-55%. But our non-detail -- but our both segment margin are similar, segment margin are higher?

Management: Sir, the margin for the non-retail business is more than the retail business. Because the retail business has more of third-party products as well.

Subhanu: I know that. But our last year sales showing that our non-detail segment continuously going down?

Management: Sir, so, if you see, in the fiscal year '23, the sale was INR741 crores. Okay. And it has gone down to INR513 crores. The main reason was, at that point of time, we were exporting sugar. So, that was a trade-based business.

So, in the fiscal '23, we exported around INR350 crores of sugar, which was after there was a limitation by the Government of India on export of sugar, it was nil in the following years. So, that is the main reason you see. But if you see our non-retail business will go up now. So, we have shifted our focus from trading activity and more towards the manufacturing activity.

Subhanu: Okay. I understand. My last question is, the key initiative we are taking for the quick commerce rigs for business...

- Management:** Sir, your voice is cracking. Can you again repeat that?
- Subhanu:** Okay. My question is, what are the key initiatives we are taking for de-risking quick commerce competition?
- Management:** So, as I said in the earlier question that we are upgrading our app. Okay. Wherein, as of now, we are delivering it the next day. So, we are trying to deliver it the same day. And if you see the trend, people that buy from quick-commerce are those products like we are not focused. We are mainly focused on foods.
- We are upgrading our apps. Even like in the last year, there was a quick-commerce company named Pincode who used to use our dark store as their business model. The order comes to us and we delivered it. So, we are doing our best in that regard to get more quick-commerce companies and also to upgrade our user interface so that we can deliver the goods in reduced time.
- Subhanu:** Okay. Sir, I have another question. Sir, can you tell me out of our non-retail goods revenue comes final?
- Management:** So, out of our non-retail sales, our non-detail sales is around INR200 crores for the first half year. Out of that, INR103 crores comes from private labels and remaining INR96 crores come from non-branded products. So, the ratio is around 52% of private.
- Subhanu:** Thank you, sir. And best of luck.
- Management:** Thank you.
- Moderator:** Thank you. Next question is from the line of Prashant Shah from E-Stock Mantra. Please go ahead. Yes, Prashant, please use your handset mode.
- Prashant Shah:** So, my first question is your margin expansion looks attractive, but your top vendor controls a large proportion of procurement. So, what guarantees that the vendors won't claw back your pricing power once you scale up?
- Management:** Sorry, can you please repeat the question?
- Prashant Shah:** Your margins look attractive, okay, but your top vendor controls a large proportion of procurement. So, what guarantees that the vendors won't claw back your pricing power once you scale up?
- Rahul Patel:** So, we have very clear terms of trade with every brand we work with. Besides that, when it comes to vendor, we have a very rigorous purchasing department which makes sure that no shelves are being kept empty. And besides that, for the operational efficiency in terms of trade, a few of the products are directly delivered to our stores and a few of them go from warehouses.
- Prashant Shah:** Okay. And what percentage of current margin gains are reversible if your top 5 vendors increase pricing by, let's say, 2%-3%?

Management: Sorry, sir, can you just repeat that?

Prashant Shah: Yes, I will repeat my question. So, what percentage of current margin gains are reversible if your top 5 vendors increase pricing power by 2%-3%?

Management: Okay. So, sir, if you see, we buy a lot of raw materials. Our raw materials mainly consist of food products like agricultural products. And we directly procure them from farmers based on the crop from APMC markets and from Food Corporation of India. Okay. So, there are always options to go to another vendor in case of the pricing.

Prashant Shah: Okay. And have you run any stress test on vendor concentration?

Management: Sorry, sir, I am not able to understand you.

Prashant Shah: You know, like, how long does it take to switch any critical categories without losing shelf availability? Any stress test have you taken?

Rahul Patel: So, when we procure our goods, so we keep on maintaining every shipment that the vendor has done to us with a, so we also have an in-house lab which has every possible equipment required in terms of chemistry or let's say biology of the components. So, we do testing of each and every raw material and we have data for the same.

So, those who have a consistent bag records of providing wrong goods or let's say false quality than he promised, that's when we take up the call that we need to change the vendor right now. I hope that was the question. Yes.

Prashant Shah: Yes. Okay. And my next question is, your sales, store sale growth improvements, coincide with usually volatile inventory days. So, how do you know the sales uptake isn't being manufactured through aggressive discounting or, forward stocking at store level rather than genuine consumer pools?

Rahul Patel: Yes. So, in our DC, we try to maintain an SKU where we, in accordance to the demand that we run on our IT systems. So, we have the data month on month, day on day, on which our purchase team works and we make sure we have that kind of stock within our warehouses that there is adequate supply of every item.

Management: Just to add to that, our ERP systems for the store and the DC are integrated. So, there is a minimum balance quantity we have set. So, once the stock level reaches there, so the order or the, what do you say, store procurement order is directly comes in the system and it is delivered there.

Prashant Shah: Okay. Okay. Okay. And if we normalize for a discount intensity, SKU level stock rotations and I mean discount intensity and SKU levels stock rotation, what's your true sales, store sale growth without any tactical pushes?

Rahul Patel: I think it ranges anywhere between 6% to 8%.

Prashant Shah: Sorry?



- Rahul Patel:** 6% to 8%. Same store growth, right?
- Prashant Shah:** Right. Right. Right.
- Rahul Patel:** Yes. So, 6% to 8%.
- Prashant Shah:** 6% to 8%. And has any category shown negatives, SSG growth, SSG growth, despite higher inventory allocation?
- Rahul Patel:** I mean, it is a seasonal to seasonal variance, right? I mean, in every season, there's a different category that gets up a boost, right? So, it would be very difficult if you talk on a yearly basis, which category has seen such kind of growth. Obviously, there has been growth in the consumer behavior where the people have been shifting more towards health cautious product, right? So, that's the category which is gaining a lot of traction right now. But besides that, everything is a necessity, right?
- We are a value driven model. So, we try to provide everything. And it's a seasonal thing. So, every category shows us a growth in that particular season that they have. So, for an example, we saw a good growth in FMCG healthcare during Diwali season, right? There was a significant growth of about 4% to 5% that we saw in the sales from usual.
- Prashant Shah:** Okay. Okay. So, currently, that's it from my side. If I have any further questions, I will get back into the queue. Thank you.
- Moderator:** Thank you. We'll take our next question from the line of Sakshi Shinde from Shah Consultancy. Please go ahead.
- Sakshi Shinde:** Hello. My question is, what percentage of procurement is centralized versus store level? And how has this evolved with the scale?
- Rahul Patel:** Right. We don't have a solid number for the same as of now. Because a few of the supplies we get directly from the companies, few of them is from the distribution centers. So, it also depends on the location of our stores that whether those and the feasibility and the costing of our products. So, whether the same product is to be delivered to our warehouse or to our stores, right? So, Yes.
- Management:** So, ma'am, just to add to that, majorly we work on a hub and spoke model. So, everything comes to the DC and then only the perishable goods like dairy. Okay. Those are delivered directly to the stores.
- Sakshi Shinde:** Okay. Yes. Okay, sir. My next question is, how do you negotiate long term contracts with the key vendors to manage the price volatility in staples and spices?
- Rahul Patel:** For the most part, it's quarter on quarter where we negotiate the terms of trade, right? Because we also don't want to lose on the opportunity, right? If the market is moving. So, as there's a rising competition and the new brands are entering the market, we don't do yearly contracts, but we keep on checking on the average percentage that we should get in every category.

And we work on the same with every brand trying to get as much as we can. And that happens at a frequency. It can happen at a frequency of let's say monthly or quarterly like that.

Sakshi Shinde: Thank you so much for answering.

Moderator: Thank you. Next question is from Aniket Madhwani from Steptrade Capital. Please go ahead.

Aniket Madhwani: Yes. So, I just want the clarification on the export revenue. So, 50% of non-retail revenue means 25% of total revenue comes from the export business.

Rahul Patel: Hello. Yes. Can you please repeat that question?

Aniket Madhwani: So, my question was, so as you mentioned, 50% of non-retail business comes from the export side. So, can we consider that the total export business contributes around 25% of the total revenue in this aspect?

Rahul Patel: Just a second, sir. I'll give you the figure. Just a second, okay.

Aniket Madhwani: Yes, could you just give me the revenue bifurcation for this aspect?

Rahul Patel: Yes, Yes. Just a second. Just a second. So, I would -- around 30% of the total revenue is export business and 50% of the non-retail business.

Aniket Madhwani: Okay, 30% contributes around, okay. So, as I can see here that in FY '25 also the export business contributed around 30%-33%, right?

Rahul Patel: Yes, 30-33% of total revenue.

Aniket Madhwani: Yes, so there is no significant increase in the export business and you mentioned that you are focusing more on the export business. Can you please give the guidance of looking forward, I mean, apart from the INR50 crore export order, how much revenue will be closing from export business, in FY '26?

Rahul Patel: Yes, just give me a second. Export business? Yes. You said export?

Aniket Madhwani: So, I just want the clarification on the thing that you mentioned that you are more focused on the export business, right? So, as I can see there is no significant increase from FY '25 numbers regarding the export business. So, I just want the clarification on that.

Rahul Patel: Correct. So, firstly, we are equally focused on export and domestic business. Right now, there is no significant growth due to the geopolitical situation and due to the increased time, right? So, we have and mainly all of our exports in the country of UK, US and Canada, right?

All of those countries, it takes around 45 to 60 days of transit, right? So, our focus is equally, like earlier we were a heavy export business, but right now we are diluting our focus more towards to casual, right? So, that's what our plan is.

Aniket Madhwani: Okay. And what margins can we expect from both segment? I mean, the domestic and the export business? I mean, the retail and the non-retail?

Rahul Patel: I mean, it reaches anywhere between 8% to 10% in export and domestic both, right?

Aniket Madhwani: So, blended margin will be around 10%, you mean that, right?

Rahul Patel: Right. 8% to 10%, anywhere between 8% to 10%.

Aniket Madhwani: 8% to 10%. And -- okay, okay. And can you please give the guidance. What top line you will be closing in FY '26 with this 8% to 10% margins?

Rahul Patel: We plan on growing at anywhere between 15% to 20%. So, we -- so that's what we aim for to close FY '26 from FY '25. If you take that and calculate that, somewhere around 1,000 is what we aim for, 1,000-1,040.

Aniket Madhwani: Okay. And 8% to 10% at the operating level, right?

Rahul Patel: Sorry?

Aniket Madhwani: 8% to 10% margins at the operating level?

Rahul Patel: Yes, Yes. For our export business, Yes. For our manufacturing and business, Yes.

Aniket Madhwani: Should I consider it a blended margin, right? 8% to 10% will be the blended margin?

Rahul Patel: Blended margins with retail, you mean?

Aniket Madhwani: Yes, with retail.

Rahul Patel: So, anywhere between 5 to 8, right? Because it averages out.

Management: Sir, our EBITDA margin would be around 7.5% to 8%. Okay. And our PAT margin would be around 4% to 4.5% for the fiscal '26.

Aniket Madhwani: Got it. Got it. Yes. Got it. Yes. And my question was, as [] with regards to the, as you mentioned that 50% of the customers opt for the home delivery, right? 50% to 60%?

Rahul Patel: Yes.

Aniket Madhwani: So, are they, I mean, should I consider the orders coming from the app, which you...

Management: So, sir, we have three, there are, the customer can physically come into the store, buy the products and leave it at the counter for us to deliver. They can also use the WhatsApp facility, wherein they put the order on WhatsApp. Okay. And then we deliver it to them.

Rahul Patel: And the third one is our mobile application through which we deliver as well.

Aniket Madhwani: So, currently, how much percentage is the revenue comes from the mobile application? I just want to know about that.

Management: Just a second. Sir, around 3.5% of our retail sales is our sales from mobile online business. Yes.

Aniket Madhwani: Fine. Yes. Thank you. That's it from my side.

Moderator: Thank you. We'll take our next question from the line of Subhanu from 3Head Capital. Please go ahead.

Subhanu: Hello, sir. Am I audible?

Moderator: Yes, please go ahead.

Subhanu: Thank you for the opportunity again. Sir, one clarification question you said around revenue comes from export, like comes -- coming from export in H1 FY '26?

Management: How much?

Subhanu: Around INR120 crores. Yes.

Management: Okay. Our FY '26 revenue guidance around 15% to 20%.

Subhanu: Sir, can you repeat that, please?

Management: Our FY '26 revenue guidance around 15% to 20%.

Subhanu: Yes. Okay. Thank you, sir. Thank you and best wishes.

Management: Yes. Yes. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Dhanji Patel for closing comments. Over to you, sir.

Dhanji Patel: Namaste. Namaste. Thank you so much for participating in today's call and for your trust in us. We hope to join you again next year. Have a good day. Thank you.

Harshil Ghanshyani: Thank you, everyone, for joining the conference call of Patel Retail Limited. If you have any queries, you can write us at research@kirinadvisors.com. Once again, thank you, everyone, for joining the conference call.

Moderator: Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.