"Ganesh Consumer Products Limited

Q1 FY27 Earnings Conference Call"

August 05, 2026

MANAGEMENT: **MR. MANISH MIMANI – MANAGING DIRECTOR – GANESH CONSUMER PRODUCTS LIMITED**
MR. AMIT TAPADIA – CHIEF FINANCIAL OFFICER – GANESH CONSUMER PRODUCTS LIMITED
MR. NARENDRA MISHRA – COMPANY SECRETARY AND COMPLIANCE OFFICER – GANESH CONSUMER PRODUCTS LIMITED
MR. SANJEEV SANCHETI – INVESTOR RELATIONS ADVISOR – GANESH CONSUMER PRODUCTS LIMITED

MODERATOR: **MR. SANJAY MANYAL – DAM CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to Ganesh Consumer Products Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Sanjay Manyal from DAM Capital. Thank you and over to you, sir.

Sanjay Manyal: Good afternoon, everyone. We are pleased to host Q1 FY27 Earnings Call of Ganesh Consumer Products Limited. From the company, we have with us Mr. Manish Mimani, Managing Director; Mr. Amit Tapadia, CFO; Mr. Narendra Mishra, Company Secretary and Compliance Officer; and Mr. Sanjeev Sancheti, Investor Relations Advisor. I hand over the call to Mr. Sanjeev Sancheti. Thanks, and over to you, sir.

Moderator: Thank you, Sanjay. Good afternoon to all the participants. Before I hand over the call to Mr. Manish Mimani for the opening remark, I would like to draw your attention to the Safe Harbor statement in the investor presentation. I request each one of you to go through the presentation and the Safe Harbor statement before the Q&A starts so that you are well aware of the same.

Thank you and over to you, Mr. Mimani.

Manish Mimani: Thank you, Mr. Sanjeev. And a very good afternoon, everyone. On behalf of Ganesh Consumer Products, I warmly welcome you to our Q1 financial year '27 earnings call and thank you for taking the time to join us today.

The first quarter of financial year '27 presented a challenging operating environment for the category. Revenue from operations stood at INR1,885 million, a decline of 7.1% year-on-year, driven primarily by an extended heatwave, constrained LPG availability, benign wheat prices, and disruptions surrounding the assembly elections, all of which weighed on category demand across Eastern India.

Within this, our consumer-facing B2C business held up relatively well, declining 4.1% year-on-year, while B2B declined 17.9% year-on-year. Given the close linkage between the two businesses, softer B2C volumes during the quarter flowed through to B2B with the residual decline attributable to lower realizations and a conscious decision on our part to reduce exposure to lower margin B2B volumes.

Despite these headwinds, we continued to strengthen our competitive position during the quarter. Our overall market share increased by 1% in the packaged wheat-based category and weighted distribution improved by 1%, reflecting the growing reach and availability of our products. In a challenging environment, underscores the resilience of our business model and the continued trust consumers place in the Ganesh brand.

The strength of our execution was also reflected in our profitability. EBITDA margin expanded to 11.2%, the highest in the company's history, an improvement of 66 basis points year-on-year and 313 basis points sequentially. This margin expansion was driven by disciplined procurement during a favorable commodity cycle, an enhanced product mix, and focused cost optimization initiatives. Importantly, these margins were delivered even as we stepped up our advertisement investment to 3.1% of revenue in Q1 FY27 from 1.9% only in FY26, supporting the long-term strength to our brand.

Manish Mimani: Our evolving product mix remains an important contributor to this performance with value-added and emerging products now accounting for 68% of our B2C revenue. This reflects the continued shift towards differentiated, higher margin categories, a strategy reinforced by the healthy improvement in gross margins within our spices segment this quarter on account of better realizations and favourable product mix.

Alongside the expansion of our distribution network, this transition is also helping us build a more diversified and resilient consumer business. Beyond our core business, we continue to build the foundation of our next phase of growth. Following an encouraging response to the soft launch of our ethnic snacks range, we are preparing for a wider rollout later this fiscal year.

The entire ethnic snacks portfolio, along with our new packaged sweets category, will be manufactured at our Amta unit with both categories expected to be launched during the third quarter, strengthening our presence in the adjacent food segments while leveraging existing manufacturing capabilities.

Separately, we commenced distribution of soya chunks also, extending our value-added portfolio into everyday protein-led kitchen staples. Our priorities remain clear to strengthen our core categories, scale our value-added portfolio, and deepen our presence across both existing and emerging markets.

I remain deeply grateful to our shareholders, partners, employees, and the entire Ganesh family for their continued trust and support. With that, I will hand over to Amit to take you through the financials in greater detail. Amit, over to you.

Amit Tapadia: Thank you, Manish sir, and thank you, Sanjeev sir. And good afternoon, everyone. As our MD has already taken you through our revenue and EBITDA performance, I'll focus on the remaining elements of our financial performance. Profit after tax for the quarter stood at INR125 million, up 31.4% year-on-year and 31.3% sequentially. Our PAT margin for the quarter expanded to 6.6%, an improvement of 191 basis points year-on-year, reflecting the EBITDA margin expansion and a materially lower finance cost.

Our balance sheet remains strong with a net cash position of INR172 million. Return ratios remain healthy with an annualized ROCE of 18% and ROE of 13.3% for the quarter. Our cash conversion cycle stood at 43 days for the quarter compared to 23 days in FY26 and 61 days in Q1 FY26, reflecting an inventory build-up from stepped-up procurement during a favourable commodity cycle. Inventory days as of June 30, 2026, stood at 53 days compared to 77 days as of June 30, 2025.

We continue to operate under a cash-and-carry model in general trade, structurally limiting our receivable exposure with receivable days at just 6 for the quarter. Updating on the deployment of our IPO proceeds, the commissioning of our Sattu and Besan manufacturing facility continues to progress, albeit behind the timeline originally envisaged at the time of our IPO for the reasons like global supply chain disruptions and geopolitical headwinds.

As outlined in our on our previous earnings call, the plant design is currently in process and we now expect to commission the facility towards the end of financial year '27-'28. The strategic rational for this investment, which is to expand our high-margin grain-based portfolio, remains fully intact and we will continue to keep investors apprised of progress on this front.

We remain focused on translating this operating performance into consistent cash-back profitability while maintaining the discipline that has characterized our balance sheet since listing. With that, we are happy to open the call for questions. Moderator, over to you. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rajesh Jain from RK Capital. Please proceed.

Rajesh Jain: Hi, thanks for the opportunity. I wanted to know how much revenue do you expect from outside East India in the next two to three years?

Amit Tapadia: Hi, Rajesh. So, we are our prime focus is to expand in the Eastern India market, right? So, we want to expand in the geographies of Bihar, Jharkhand, Odisha, and Northeast. So, in the next two years, the prime focus is to expand our distribution in the Eastern region only.

Rajesh Jain: Okay. So, within the Eastern region, what is the target you have set for yourself for revenue apart from West Bengal over the next two years?

Amit Tapadia: Sure. So, currently, if you see the overall mix of revenue from state other than West Bengal, it is close to 8%, 7% to 8%. And in the next two to three years, we expect it to go up till around 18% to 20%.

Rajesh Jain: Okay. So, in line with that target, how many new distributors you plan to appoint in the new geographies and how many new distributors have you appointed in the in the quarter which has just gone by?

Amit Tapadia: In the quarters, again, if you see the overall number of the addition to the distributor, it is more than 50, right? And over the next two to three years, right, so the distribution, the distributors addition will be on multiple category. One will be in new geographies like Bihar, Jharkhand, Odisha, and Northeast, and the second will be for new product portfolios. As we highlighted that we plan to enter the categories like ethnic snacks and packaged sweets. For that, we may evaluate and on-board distributors who specifically will be dealing in those new age categories only. So, over the over the next two to three years, we plan to on-board at least 300 to 400 distributors.

Rajesh Jain: Okay. And sir, like in the last call, you had mentioned that you want to focus on the on masala powders, right? And you mentioned that they are margin accretive, they are carrying higher margin. So, over the next two to three years, what will be the -- what is the revenue percentage we can expect from this masala category?

Amit Tapadia: So, currently, if you see for the quarter, the masala category contributes close to 6% to 7% of the revenue. And going forward, in the next three years, the target is to achieve a revenue of close to the revenue mix of close to 11% to 12%.

Rajesh Jain: Okay. And the margin profile for the newer items that you are venturing into, that is the packaged sweet and the snacks, right? So, what will be the margin profile?

Manish Mimani: I will like to answer this. I will like to answer this. So, thank you, Mr. Rajesh. So, I think the we will as of now, we will not like to comment on the EBITDA margins or the gross margins on the packaged sweets and snacks category. It will be early. But then, with the advantage of back-end and front-end, when I say back-end because all the raw materials will be are with us, that is the flour and gram flour, which is used as a raw material in snacks, and spices are also with us, which are used in ethnic snacks and sweets both, and again, the front-end, which is a good brand name and the leverage of the distribution network also, we think we will be ahead of the industry margins.

Rajesh Jain: Okay, sir. Last two questions. So, I think in the last call, I recall that you had mentioned that you want to use one of the plants mainly for B2B contracting, right? So, can you give some updates on that? What is the progress on that and have you secured any long-term contract on that?

Amit Tapadia: So, this B2B contract, we will have to check. Means currently, one of our plant, we are doing a job work for an FMCG player, but I don't remember the saying that we are hunting for any B2B player or B2B job work for any of the contract.

Manish Mimani: Yes, even I don't recall. We never said that we are hunting for any B2B new player. We are already in continuance of our Hyderabad plant, which we are doing it for a B2B player for a third-party packaging. And we have never committed we are in a search for a new B2B player.

Rajesh Jain: No, that's okay. Because I'm just recalling from memory, so I could be wrong. So, that's fine. So, my last question is like some of your product's quality is quite good. I have personally used them and tasted them. But I wanted to know whether they are contributing very negligible percentage to your overall revenue. For example, the ready-to-mix dhokla, the quality is quite good, but is it contributing a very negligible percentage or is it a substantial percentage, a meaningful percentage of your revenue?

Manish Mimani: So, Khaman Dhokla is one of the hero SKU, you can say, considering being an instant mix. If you see the overall market of such category of instant mixes, it is it is very niche. And that too in the Eastern part and particularly West Bengal, you see it will be very niche. And considering that the Khaman Dhokla SKU, particularly the Khaman Dhokla SKU does pretty well for us.

And going forward, we plan to -- we are working on product development front, right, wherein we are exploring products, right, which can add value or add convenience to the consumers and are in line with such instant mixes.

Rajesh Jain: Okay, understood. So, those were my questions. I'll join back. Thank you.

Moderator: Thank you. The next question is from the line of Nikhil from Ranga Investments. Please proceed.

Nikhil: Good evening, everyone. Thanks for giving this opportunity. I just want to highlight on one thing. In the B2C product mix, the FY26 atta is around 35% and in Q1 it dropped down to 32%. I just want to know is it because any whole wheat atta has degrown or value-added has degrown?

Manish Mimani: So, hi, Nikhil. Firstly, the drop in the overall mix of the atta category, so it is because the value-added segment has done well for us. So, Sattu, particularly Sattu as a category has done well in this quarter, which resulted in the increase in the value-added and emerging share in the overall B2C revenue. So, that is the reason.

Nikhil: Okay. Can you tell us like out of the 59%, what will be the portion of Sattu in that, and what is the growth which we add?

Manish Mimani: So, again, we don't plan to disclose the product-level revenue share here, but overall, if you see the value-added segment, right, it is close to 59%. This is 56% in the previous financial year.

Nikhil: Okay. Just one last question. Like, did we take any pricing action in the current quarter considering the Gulf and US crisis impact and all?

Manish Mimani: Yes, so there was a significant increase in the LPG prices and LPG is primarily consumed for the Sattu manufacturing. But considering the brand pull we have, and we have bought in some operational efficiency at the plant end and hence we have not passed on the overall increase to the consumer. We have tried to absorb that increase in the LPG prices.

Nikhil: Okay. And just one last question, like, okay, currently our atta mix is around 30%, 32%. Like what are we looking at in the upcoming quarters? Like is it going to drop or it will improve further?

Manish Mimani: So, in the coming quarters, it will be obviously the prime focus is to promote the value-added segment and the emerging segment. But we feel that it will be in the range of 30%, 32% to 34% only. It will not shoot up significantly from here. As our value-added segment, we feel that the value-added segment and the emerging segment will deliver the coming quarters.

Nikhil: Okay, got it. That's it. Thank you.

Moderator: Thank you. The next question is from the line of Divhy Gosar from Subhkam Ventures. Please proceed.

Divhy Gosar: Hi, sir. Thank you for the opportunity. Sir, firstly, I wanted to ask that our gross margin has improved.

Moderator: Mr. Gosar, can you please speak a little loudly? We can't hear you properly.

Divhy Gosar: Just a second. Am I audible now?

Moderator: Yes, much better.

Divhy Gosar: Yes. So, first question is around gross margin. So, our gross margin has improved drastically. So, can you give us a split between what is the improvement because of the product mix and because of the softness in RM prices?

Manish Mimani: So, again, because of the softness in the RM prices contributes a very small portion of the overall increase in the gross margin. Primarily, it is because we tried to maintain better realization across our product category. And specifically, as the value-added segment have delivered better as compared to whole wheat segment, the gross margin is we have delivered a better gross margin.

Now, if you ask me about the exact number as exact percentage of the of the contribution because of the value-added segment, it will be close to close to 0.7% to 0.8%.

Divhy Gosar: Got it. So, what should we consider gross margin going ahead for this year and for the next year?

Manish Mimani: So, again, so it will be as in line with the previous years. There will be smoothness as we are working towards better realization across the category, and we are also trying to maintain or plan the raw material accordingly. So, from the levels of the previous financial year, we can you can expect a better betterness in the gross margin. But as of now, we are not will not comment on the gross margin percentage, exact percentage for the coming quarters.

Divhy Gosar: Okay. In the in the new segments, sweets and your ethnic snacks, can you tell us about how much is the market size in the Eastern part of India where you operate, and would it be through the same distributors? Can you explain a bit about the business model?

Manish Mimani: Yes, so again, so as I as I highlighted, it will be first I'll take up the distribution piece. It will be obviously since we enjoy a muscle power in terms of the overall distribution, we will use -- we will have a mix model wherein we will use the existing set of distribution network and we will onboard new distributors, right, who can who can work with us, right, to expand our those portfolio products in a enthusiastic way.

So, this is on the distribution front. Obviously, we will since those categories sells well on the modern trade channel, we will be very bullish on the modern trade channel as well. Now, coming to the overall market share, yes, consider it is a big market. Again, we don't have that exact number handy with us. Yes, but we can we can present to you over for -- we can discuss it one-on-one and then give you the overall number of the overall TAM.

Divhy Gosar: Okay, thank you so much.

Moderator: The next question is from the line of Rajesh Jain from RK Capital. Please proceed.

Rajesh Jain: Yes, sir, just a clarification. You mentioned that you do job work for a specific client. So, is it only one client or more than one client, and can you disclose the name of the client?

Manish Mimani: It is for one client only, and we will not like to disclose the name because that is a big player in itself, and we have that clause that we cannot disclose it.

Rajesh Jain: Okay, but can you tell me can you tell something about the profile of the client? Like they are FMCG player only?

Manish Mimani: They are FMCG player only.

Rajesh Jain: And are they present only in certain regions or they are a pan-India player?

Manish Mimani: So, again, that data we have to take it from them, but yes, they are present in the region where we are doing the job work for them for them.

Rajesh Jain: Okay. And for this full financial year FY27, can you provide some guidance on the revenue growth and the consolidated margin for the full year?

Manish Mimani: Yes, so as we had highlighted in our previous call that we are chasing a volume growth of 7% to 8% right in this financial year. The entire team is working towards the same goal. But again, we will be able to comment on the exact percentage of the or not exact percentage.

But a better view we will be able to tell you after Q2, which is by end of first half of this financial year. And on the margin front, yes, there will be improvement. So, EBITDA was close to 9.8% last year. We plan to deliver in the range of 9.8% to 10% in the in the current financial year.

Rajesh Jain: Okay. And in the previous call, you had mentioned that you expected the HoReCa segment to get impacted because of the unavailability of LPG. So, how is the situation now and now going forward, do you see any further impact in the HoReCa segment?

Manish Mimani: So, yes, the the HoReCa segment was impacted, right, and it is a common news because of the LPG crunch. Things have improved over the over the last two months. Things are better now and going forward, we presume that towards the end of this quarter, it will be back to normal.

Rajesh Jain: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Aarav from The Money Mart. Please proceed.

Aarav: Hello. Yes, hi. You mentioned something about soya chunks at the start of the call. How much percent of revenue can we accept expect soya chunks to contribute, as well as if you could comment on the margins we have in that segment, if possible?

Manish Mimani: So, on the margin profile, it is in line with the gross margin. So, the industry, if I talk about the industry first, right, it is in line with the gross margin what we are delivering for our core products. But currently, since we have launched soya chunks in the market, we are pricing it a bit aggressively now. Over the period of let's say one and a half to two years, we feel that we will be able to reach the industrial benchmark in terms of the gross margin.

Now, talking about the revenue, we feel that -- and soya chunks is firstly soya chunks is widely consumed in the in this geography and we feel that over a period of next two to three years, we should be contribute at least 2% to 3% of the overall revenue of the company.

Aarav: Could you repeat on the margin?

Manish Mimani: So, over the next two to three years, that we see, we feel that soya chunks can contribute 2% to 3% of the overall revenue of the company.

Aarav: Okay. Yes, that would be from my side. Thank you.

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

Manish Mimani: Thank you everyone for joining this call. Thank you for your continued trust. We look forward to attend you again in the Investor's Call for the Q2 of Financial Year 2027. Thank you.

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

Moderator: Thank you.