GOPAL SNACKS LIMITED

Regd. Office / Unit 1- Plot No. G - 2322 - 23 - 24, GIDC, Metoda,
Tal. - Lodhika. Dist - Rajkot - 360 021, (Gujarat), INDIA. Phone : +91 85111 85130

CIN: L15400GJ2009PLC058781
email: info@gopalsnacks.com | www.gopalnamkeen.com

Ref: GSL/CS/Q3/2026-27 **Date: 06.11.2026**

BSE Limited
Department of Corporate Services,
Pheroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

National Stock Exchange Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Mumbai – 400051

Script code: 544140 **Symbol: GOPAL**

Sub: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Transcript of Earning Conference Call – Q2 UFR FY27

Dear Sir / Madam,

In continuation of our letter dated 03.11.2026 for Analyst / Investor Earning Conference Call and in pursuant to Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, enclosed herewith the transcript of the Earning Conference Call with the Investors and Analysts held on Tuesday 03rd November 2026 at 03:00 PM (IST) to discuss the operations and financial performance for the quarter and half year ended on 30th September 2026.

The transcript of the Earning Conference Call will be available on the website of the Company at: www.gopalnamkeen.com

Kindly acknowledge and take on your record. Thanking You.

Yours Faithfully,
For, GOPAL SNACKS LIMITED

Gangani Mayur Popatbhai
Digitally signed by Gangani Mayur Popatbhai
Date: 2026.11.06 14:11:46 +05'30'

CS Mayur Gangani
Head – Legal & Compliance
cum Company Secretary
Membership No. F9980

Encls: a/a

“Gopal Snacks Limited

Q2 FY27 Earnings Conference Call”

November 03, 2026

MANAGEMENT: **MR. NAVEEN GUPTA – CHIEF BUSINESS OFFICER**
MR. RIGAN RAITHATHA – CHIEF FINANCIAL OFFICER

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

Moderator: Ladies and gentlemen, good day, and welcome to Gopal Snacks Q2 FY27 Earnings Call hosted by DAM Capital Advisors Limited. As a reminder, all participants line will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the 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 Advisors. Thank you, and over to you.

Sanjay Manyal: Thank you. Good afternoon, everyone. We would like to thank the management of Gopal Snacks for providing DAM Capital with the opportunity to host Q2 FY27 conference call. We have with us today Mr. Naveen Gupta, Chief Business Officer; Mr. Rigan Raithatha, Chief Financial Officer. I hand over the call to the management for opening remarks. Over to you, sir.

Naveen Gupta: Thank you, Sanjay. Good afternoon, and thank you for joining us for the earnings call. We hope you all had a chance to go through our investor presentation uploaded on the stock exchange. We'll share our key operating and financial highlights for the quarter and half year ended September 30, 2026.

Q2 FY27 marks further progress for Gopal Snacks as the restoration of manufacturing capabilities and expansion of our distribution network translated into higher revenue and improved profitability.

Our focus during the first half has been on improving product availability, strengthening manufacturing integration, and reaching more consumers across our markets. During the quarter, revenue from operations increased by 22.9% year-on-year to INR 461.5 crores. With sequential growth of 9.3%. For first half FY27, revenue increased by 26.7% to INR 883.9 crores.

Demand across key product categories contributed to this performance, with Gathiya sales growing by 25.6%, wafers by 40%, Snack Pellets and extruded snacks by 23% year-on-year during the quarter. Improved product availability and wider distribution coverage helped us serve this demand more effectively.

On the distribution front, we continue to deepen our presence in existing markets and improve coverage across underserved regions. Our distributor network increased to 1,057 at end of September compared to 1,007 at end of June. And 953 at end of FY26.

In addition, our network includes 150 micro distributors under the super stockist model, helping improve accessibility across markets. We also continue to strengthen our distribution management system to improve inventory visibility and distributor engagement.

Better visibility across the network helps us plan supplies and respond more effectively to market requirements. These capabilities remain important as we expand our reach and improve service levels. In terms of branding and marketing, we continue targeted initiatives across digital platforms and traditional media.

Campaigns across Jio, Hotstar, Sony LIV, and Spotify, along with influencer collaborations, newspaper advertisement, and event sponsorships, help increase brand visibility and consumer engagement.

Looking ahead, our focus remains on improving capacity utilization, expanding distribution, and building greater consumer awareness. With our manufacturing capabilities restored and a wider distribution network, we will continue to work towards converting these investments into sustained growth and improved profitability.

We remain committed to delivering quality products and creating long-term value for all the stakeholders. I would now like to invite our Chief Financial Officer, Mr. Rigan Raithatha, to share his perspective on the financial performance during the quarter.

Rigan Raithatha: Thank you, Naveen Bhai. Good afternoon to everyone. Now let me take you through the key financial highlights for the quarter and half year ended September 2026. Gross profit for the quarter was INR 125 crores, registering the growth of 26.1% year-on-year basis. Gross margin improved to 27.1% as compared to 26.4% in Q2 FY26. Improved pricing, grammage correction, and manufacturing efficiency help us to manage the gross margin in a challenging raw material cost environment.

EBITDA for the quarter increased by 72% year-on-year and 32% sequentially to INR 41.6 crore. EBITDA margin improved to 9% as compared to 6.4% in Q2 FY26 and 7.4% in Q1 FY27. The improvement reflected due to operational leverage, profitable product mix, and continued cost discipline as the revenue increased. Profit before tax before exceptional item is INR 25.9 crores, an increase of 93% year-on-year basis.

Profit after tax was at INR 45.9 crores, resulting in a PAT margin of 9.9%. Reported profit also includes net exceptional gain of INR 35.3 crores during the quarter. Now moving on to the half-year performance. For H1 FY27, revenue from operations increased 26.7% year-on-year to INR 884 crores. Gross profit increased by 30.5% to INR 238.6 crores, with a gross margin improving to 27% from 26.2% in H1 FY26.

EBITDA for first, half increased by 85.7% to INR 73 crores with a margin expanding to 8.3% from 5.6%. Profit before tax, before exceptional items, increased by 138% to INR 44.5 crores, and profit after tax was at INR 58.7 crores as compared to INR 28.2 crores in H1 FY26, with a PAT margin of 6.6%. The half-year PAT includes the net exceptional gain of INR 35.3 crores as compared to INR 21.8 crores in a corresponding period of last year.

Following the quarter end, we have received full and final insurance claim of INR 36.4 crores relating to fire incident from the insurance company in October 2026. Aggregate recovery including the earlier interim payment, scrap sale proceeds, and the final approved claim amounts to INR 77.4 crores.

On the operational front, production product consolidation and greater backward integration remain important area of focus. These initiatives are expected to lower our operating cost, logistic cost, and power cost going forward. The Besan manufacturing unit commenced during

September at Nagpur brings a key input closer to our snack manufacturing operations, simplifying material movement and enabling recurring transportation costs.

As we move towards second half of FY27, our focus remains on a profitable product mix. Passing on the inflationary cost to the consumers and maintaining the cost discipline, which will continue to support our margins along with the revenue.

We'll continue to manage our working capital requirements and capital allocation carefully with the objective of translating revenue growth into sustainable profitability and cash generation. That's it from my side. Over to you Sanjay, for further questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Anuj D from Antique Stock Broking Limited.

Anuj D.: Congratulations on a great set of numbers. I think one major question on the core state, I think during first quarter management had guided, say, around INR 100 crores per month run rate. We are slightly below that. Are we satisfied with the growth trends that we're seeing in the adjacent category of, say, Western snacks in the near venture?

Naveen Gupta: Yes, definitely we aimed, INR 100 crores per month run rate. So definitely we are not satisfied with this run rate in Gujarat. Even the competition intensity, we are taking a prudent approach. We have taken very careful path, you know, in managing our pricing as well as grammage. So definitely this revenue numbers of INR 100 crores per month, we aspire and we will deliver, but not at cost of, you know, pruning margins.

Anuj D.: Okay, great, understood. a follow-up question on the margin bit. I think as you said, our gross margin has held up despite inflationary pressure. Is this largely on the back of pricing action or more so because of our product mix moving to the INR 10 price point?

Rigan Raithatha: So it's a mixture of both the things. It is coming from the grammages as well as price correction, and the around 0.4% is coming from the reduction of the trade discount as well as improvement in the product mix.

Moderator: Next question is from the line of Nitin from HDFC Securities.

Nitin: My first question pertains to like the recent price action. So could you help quantify the extent of price increases and how much of this has come through grammage adjustment? Additionally, also like in Namkeen, it seems like there is a volume pressure at the back of price increases. would you be able to highlight like how do you see the volume growth in the second half of the year?

Rigan Raithatha: So answering to the first question so if you look at sequentially, that is from Q1 to Q2 total inflationary impact on our gross margin is around 2.3%, out of which in the form of grammage correction, we have passed on around 1.1% and 0.4% due to price increase, and rest 0.4% is due to lowering of trade discounts and product mix.

Naveen Gupta: So coming to the volume growth part Nitin Bhai in Namkeen segment, you know, in terms of value, the growth in H1 is 18.3%, whereas volume growth is in single digit of 8.6%. And on quarterly basis It's 8% on Q-on-Q basis and 15% on Y-o-Y basis, right? So we understand that while we take a decision on grammage reduction across categories.

So whichever category we are stronger, like Gathiya, so we have more pricing power there. So when we take grammage correction in Gathiya, so our volume does not get impacted to that extent, where is in Namkeen, we are not market leader in certain products.

So grammage reduction that leads to certain, I mean lower growth as compared to the hero product. So we have been taking this call SKU to SKU level. We will be adding couple of products in Namkeen category which will help us in coming quarter to improve in Namkeen category.

Nitin: So this is helpful. continuing on this, Naveen Ji like we have talked about the dual servicing of outlet, and I guess in last quarter it was at 38%. Would you like to highlight how is the progress of dual servicing of outlet and any quantification, if you can do, in terms of what is the contribution of incremental growth coming from this initiative?

Naveen Gupta: Yes, so, Nitin Bhai, as on date, when we talk about September end, so it reached to 42%, and by October end it reached to 43.5% dual services in Gujarat outlets. In terms of quantification, so we have set of dealers, whereas their run rate has gone up by 25%-30%, and there are set of dealers whereas run rate has gone up by 15%-20%. So it depends on various factors like quantity of salesmen improved and as well as quality of salesmen.

So that's a gradual process. We have taken an aim of, you know, reaching 65%-70% outlets with dual services, double services by end of this financial year. There is another development which we just decided last week. In certain part of Gujarat, in Q4, we will be adding roughly 25 to 30 distributors in Gujarat.

That number has been constant like 311, 312 for the last 3 quarters, 4 quarters. But we'll be adding 25-30 distributors on ready stock business models for Western snacks category. So that should also help in improving service level, improving depth at retail outlet level.

Nitin: So this is good. And lastly, on like, would you like to revisit your guidance top line and margin. And also, if you can comment on the A&P spending for this year. Last year, it sort of was relatively higher, on the higher side. So this year, I guess we are managing the inflation, so that's why it's coming down. But just wanted to have your thoughts around it.

Rigan Raithatha: So, Nitin, we continue to maintain our guidance. So as far as top line is concerned, we continue to maintain our guidance of INR 1,800 crores to INR 1,900 crores with an EBITDA margin of 8.9%. And for first half of the year we have already into that territory. We'll continue to focus to remain similar into the H2 territory also. As far as A&P spending is concerned for H1, our spending is closer to 1%, and similar trajectory we are looking for the full financial year.

Moderator: Next question is from the line of Soham Samanta from Motilal Oswal.

Soham Samanta: Sir, just wanted to check one thing, that are you getting any market share in incremental market share in Gathiya in Gujarat?

Naveen Gupta: So we do not have assets external data Soham Bhai.

Soham Samanta: So we are basically, as per our data, are we getting any market share in Gujarat market?

Naveen Gupta: Our growth rate in Gathiya has been impressive. So given the history, whereas Gathiya typically grows at 15%-18% rate, whereas our growth is higher. So definitely we are taking market share from the competition.

Soham Samanta: Okay. And Rigan sir, on you, that like in each half-year basis, what was the inflation and what was the price hike we have taken?

Rigan Raithatha: See, if we compare to last financial year full average, our inflation till H1 is around 5.5%. And out of which we have passed on through grammage correction around 4%, 0.6% through price correction, and rest of the percentage that is roughly around 0.7%, 0.8% is through the mixture of trade discount and the profitable product mix.

Soham Samanta: Okay. And the guidance we have shared that INR 1,800 crores to INR 1,900 crores Based on that, assuming that we have, we have achieved the number in FY27, after that how, much growth we are looking? Because the base is also high in that base. So what kind of growth we are looking going forward? Is it a mid-teens kind of growth possible or more than 20% growth we can achieve?

Naveen Gupta: Soham Bhai, we have been constantly telling that we will be growing at minimum 20% you know, every year because there is a base to that. If I tell you about number of distributors which we added in the first half, is roughly 130 distributors we have added. Now these 130 distributors, out of which 70 which we added in Q1, so their contribution in Q1 was INR 4.5 crore. And their contribution in Q2 was INR 5.5 crore. And the new distributor added in Q2, which numbers to 60, they contributed INR 3 crores to our numbers.

So in H1, INR 13 crores number came from addition of, you know, network expansion. So when we make a ladder, this number translates into INR 60 crores in this full year, because that ladder will keep on building. So next year, roughly INR 80 crores delta business will come from these set of dealers which we created or will create in rest of the year.

And then we will continue to create new dealers as well subsequent year as well. So every year out of 20% growth which we are getting, so there a platform which is getting built. So certain 6%, 7% number will keep coming from network expansion and rest will keep coming through you know organic growth as well as new products.

Soham Samanta: Okay. And one last question is from distribution point of view like I am more curious to understand how is the distribution addition is going on in these Nagpur market or the Maharashtra market as of now?

Naveen Gupta: So if you see majority of our distribution addition came in focus states. Our focus states are, you know, Maharashtra, Madhya Pradesh, Uttar Pradesh, Chhattisgarh, and Rajasthan. So Rajasthan has been like very good performer in terms of addition of distributors, followed by Maharashtra and Uttar Pradesh. So definitely we aspire that more and more number of distributors should be added around Nagpur.

The pace has been slower than our expectation, but progress in Rajasthan is good. That is also good for us because vicinity of Rajasthan from our Modasa facilities very supportive to us in terms of, you know, managing our profitability.

Soham Samanta: Okay, and the last one is that as Diwali has already shifted in Q3, so what is the current momentum is going on in this last month? Is it a 20% plus growth momentum is there or much higher growth we are expecting?

Naveen Gupta: So the current trend is 22%-23% growth momentum is continued, Soham Bhai.

Moderator: Next question is from the line of Resham Mehta from Green Edge Wealth.

Resham Mehta: Yes congratulations on a good set of numbers. So, you know, one is again related to margins and inflation. So I think for the full year you guided that, you know, we would be at around 9% kind of margins, but I think we had the aspiration to exit the year at double-digit margins. So you think with the inflation that is still possible?

Rigan Raithatha: See Resha Ji, we had guided EBITDA margins between 8% to 9%, and obviously we aspire to close that double digit. But this year, as you very well know, it has been challenging year for industry as a whole considering the raw material inflationary environment. So once the war scenario eases out, definitely we'll reach to double-digit margins.

Resham Mehta: Got it. And you know, I think you know, continuous inflation being seen week on week I'm sure we would have seen some inflation in the month of October as well. So you know, do we have more plans for price hikes or the grammage reduction? And if yes are we seeing that, you know, whatever price hikes or grammage reductions we have taken, that has kind of started impacting volumes in, you know, October?

Rigan Raithatha: See, whatever price increase which has happened till October, so if you look full as a basket, obviously packing material cost has increased too, increase in the crude prices, but which is slightly offset against the palm oil price reduction also, because there has been some reduction in the duty which has come from the government in the month of September, where full impact is seen in the month October.

And partially, we also try to fund it from our trade marketing spend also like we have done in first 2 quarters of this financial year and it requires here also further revisit our price correction, price improvement as well as grammage reduction strategy. So all in all, we are still remaining open to the grammage reduction or the price increase.

But we are also continuously keeping an eye on reducing the expenses wherever we can. Resham Ji, so that in Q4, definitely we will see better product basket in terms of adding to couple of categories which will give us better margin mix.

Resham Mehta: Okay. And, what is the raw material basket now, looking like? I believe besan used to be 25%, oil used to be 25%. what would be the breakup of, you know, besan, oil, laminates, packaging now in our RM basket post the inflation that we have seen over the last 6-odd months?

Rigan Raithatha: See, palm oil currently as far as raw material is concerned, it is 27%. Laminate has increased, that is packing material, is around 22%, 23%. Chana currently till H1, it is around 19%.

Resham Mehta: Sorry, that is 19%, right?

Rigan Raithatha: Yes.

Resham Mehta: And then, you know, you spoke about efficiencies right? So you know, what kind of efforts, let's say, are we making on the laminate side or on the packaging side? I believe we already used to, you know, use 3-Ply carton versus the industry standard of 5-Ply carton, if I'm not wrong. any, other, you know, kind of efficiencies that, you know, we are trying to bring into kind of You know, provide a cushion to the margins?

Naveen Gupta: On packaging front, you know, what we call laminate is a key line dimension, like what is the size of the laminate. So we keep doing study and benchmarking versus competition pack size, Resha Ji. So wherever is the scope, we keep revising key line dimension of the laminate packs. That is the only scope as of now. That definitely helps us in other way as well, right?

Like it reduces corrugation box cost as well, it reduces transportation cost as well. Recently we did a comprehensive, you know, study of our products versus competition. So there was a scope of annualized basis INR 6.7 crores which, which can be achieved by reducing KLD. But that, that's a slower process, you know.

We have to consume existing laminate, and typically we have stocks of laminate for 2 months, and new cylinders has to be made. So that whole impact cannot be seen in this year, but possibly next year.

Resham Mehta: Got it. And, you know, just on the few channels right, so I think we had got some decent traction before the fire in exports, railways you know, some of these channels. So can you talk about like now you know, on the exports front what are we doing to kind of you know, increase our revenues from this channel? And also railways, have we gotten back into this channel or currently we are away from this channel?

Naveen Gupta: No. Coming to railways we did INR 3.77 crores business in H1 FY27 versus INR 2.34 crores in last year H1. Modern trade we did INR 3.63 crores versus INR 2.1 crores in H1 last year. Quick Commerce we did INR 7.07 crores versus INR 3.48 crores last year. And this export thing, export has actually picked in October. We almost touched INR 1 crores in export, and prior to October, it was, you know, averagely INR 50 lakhs-INR 60 lakhs before.

Resham Mehta: So one you know, so of course we were, you know, pretty focused post the fire in regaining shelf space and market share in the GT channel but, now, you know, do we have the bandwidth, to kind of bring focus back to these channels like exports Quick Commerce, Railways, and eventually let's say 1-year-2 years down the line, you know, from an absolute revenue standpoint, how much do we think, you know, that these channels can, you know, kind of contribute to the overall revenues, or what's the aspiration there?

Naveen Gupta: Yes, we are pretty confident since our supply chains are stabilized and majority of our GT business is in auto mode right now, Resha-Ji. So these channels are definitely in our radar. So for catering to these channels, now we have started customized products and product-specific meant for these channels.

By mid of December we will be coming with a range of you know, healthier snack category, which we will be launching majorly on Quick Commerce platform and modern trade platform. There will be a parallel launch in general trade as well.

So, but largely those products we are developing with an eye on these new-age channels. Coming to the numbers, this year we'll be ending roughly at INR 30 crores – INR 35 crores from these channels. And by next year, we can definitely aim INR 75 crores to INR 90 crores from these channels.

Resham Mehta: Got it. And one more, if I may you know, on the Gathiya bit, right? So I think we, buy our own chana and make our own besan, right, to maintain quality. How many branded you know, Gathiya players of reasonable size and scale you know, would be doing this in, your estimate?

Naveen Gupta: So to best of our knowledge I mean, couple of players may be doing storage of chana. And in Gathiya, you know, we sell eight variants of Gathiya, like papdi Gathiya is there, Bhavnagari Gathiya is there, champakali Gathiya is there, nylon Gathiya is there. but other players are comparatively smaller and they sell only 1 or 2 variants only.

So couple of players only store chana, not all the players have ability to store chana. and even if they store, that is with the third party. Unlike our, we have our own storage facility and all.

Moderator: Next question is from the line of Saurabh Beria from Sameeksha Capital.

Saurabh Beria: First of all, congratulations for the great set of numbers. So my question was majorly around the competition that is budding in the Gujarat channel. So there are other players who are burning a lot of cash. Even if you look at our numbers on a Q-o-Q basis the core state revenue remains somewhat similar. And even the distributor count has not been growing at a rapid scale if it out of Gujarat.

So what is your say? Like, how sustainable is this cash burn by the competitors? Even in the wafer segment, I believe it is tough to replace Balaji, which is like very predominant in the Gujarat market. So what were your strategies or say on this?

Naveen Gupta: Saurabh Bhai, first of all on number of distributors in Gujarat, so that is purposeful. We take a conscious call in last 1.5 years that we will not increase number of distributors so that average

revenue per distributor should not fall because we wish to keep confidence of our distributor fraternity very good.

So now things are 100% stabilized. Now we took a call that for wafers category we will add roughly 30 distributors in next 50 days-70 days, so that we can take advantage of our improved distribution and we can have better wafer market share. As far as this competition intensity is concern on, you know, burning cash, there's limit to, you know, everything.

So every entrepreneur trying to take a call that, okay, let's see how much is the inflation, and they can afford this thing for 1-month-2 months. But now this inflation thing is getting stretched, so we don't think that competition can carry on this losses for a longer time. They will also have to take a call on grammage reduction as well as price hike. So that's a good thing for us.

Saurabh Beria: Perfect. Okay so secondly was more of a bookkeeping question. So usually the first half cash flows are, if we look at as a percentage of total CFO from operations for the whole year, is usually higher, but a downtrend was seen if we talk of first half of FY27. So were there any one-offs or and so apart from the insurance proceeds which are about to receive, are there any other one-offs that we are not looking at? And what would be your forecast of your other, like, full-year CFO numbers?

Rigan Raithatha: See as far as CFO is concerned, definitely it would be better than H1 if we look into the H2. Primarily there would be 2 reasons coming out of it. One would be insurance proceeds we have already received in the month of October, so that would also get reflected in H2 which is INR 36.5 crores that we have already received. And secondly, liquidation of the inventory would also happen.

So even if we look at net-net level from H1 versus H2, inventory whatever it is currently, it is around INR 200-odd crores odd levels. That should also reduce to around INR 100 crores -INR 120 crores. So H2 cash flow would be better than H1.

Saurabh Beria: But usually the case is either way, right? Usually the H1 cash flows have been better if we see the historical trends.

Rigan Raithatha: So it depends. See, if you compare with the last H1 numbers, so at that time our inventory storage was less as compared to the current financial year. So obviously liquidation amount was not required. Secondly, this year considering the war scenario, slightly we have increased our inventory levels also, like laminate is concerned and other areas. So that is also impacting.

Last year chana prices, we were not anticipating to get it increased this year. Already due to the shortage of water, we were anticipating chana prices to get increased. So this year our chana storage has almost increased to 50% as compared to last financial year. So it all depends upon how we see the full financial year and how much storage rate that we do of our raw material.

Moderator: Next question is from the line of Shirish Pardeshi from Motilal Oswal.

Shirish Pardeshi: Congratulations for good set of numbers. Sir, Naveen-Ji, just I'm looking at focus state growth is about 35% and our Namkeen growth is 14%. So is that a different mix which is getting sold in focus state and because of our Namkeen growth is lower?

Naveen Gupta: In focus states, you know, wafer division, much bigger contributor in terms of percentage versus Gujarat. Like Maharashtra, there is more than 40%-50% growth in wafer. So Gathiya has also grown substantially. Snack Pellets growth is very high there. So in Gujarat, our wafer contribution in percentage as well as total value terms is much lower than focused states. So Snack Pellets have grown by 43% and wafers have grown by 59% in focused States, Shirish Bhai.

Shirish Pardeshi: Okay, and what I wanted to check, focused States is about INR 132 crore. What is the contribution of Maharashtra and UP in this?

Naveen Gupta: Maharashtra current run rate is you know, INR 22 crores roughly. So per month run rate of Maharashtra is INR 66 crores in Q2.

Shirish Pardeshi: And UP?

Naveen Gupta: UP is INR 19 crores in current quarter.

Shirish Pardeshi: Okay. The second question is that, to my understanding, we always used to hold a lot of inventory for besan, chana, and potato. What type, what kind of inventory we are holding right now? I mean, I'm just more curious because these prices were lower and the new prices looking inflationary. So how much inventory would last, the low price inventory for potato and chana at this time?

Rigan Raithatha: Shirish Bhai, potato and chana inventory that we have currently, chana is likely to last till almost mid of Jan and potato somewhere around till mid of December.

Shirish Pardeshi: So exactly speaking the commodity inflation is more on the laminates and the palm oil.

Rigan Raithatha: Right.

Shirish Pardeshi: Is that correct?

Rigan Raithatha: Yes.

Shirish Pardeshi: Okay.

Rigan Raithatha: Chana, also there has been some inflation, but by and large till now, if we see as far as last year is concerned, majority is coming from palm oil and laminates.

Shirish Pardeshi: Okay Naveen Ji, it is heartening to see that our INR 10 plus price point contribution is inching up to 21%. I mean, so far we have aspiration to take it a little more, but I'm just looking and more curious which markets we have been able to crack this SKU mix and where it will settle. I mean, you're looking for new distributors.

So obviously gone by my experience, probably we can look at a bigger pack distributor separately and small pack distributor separately. I don't know, something you must have tried and which is working. So what has worked for us, and maybe this 21%, where it can settle maybe next 2 quarters to 3 quarters?

Naveen Gupta: See in percentage term, it will go by here, and I mean in the last quarter, it will go up to 3.5% Shirish Bhai, the larger pack contribution. And as far as the split of bigger pack and smaller pack is concerned, we will do a different kind of split in that, in whole state that I just described, will be based on Western snacks category versus rest of the category.

And on Western snacks category, on the price point products, we will have a ready stock model, and that will also be online, by the way. That will not be an offline model. We already have this module ready with us. So we will have a Western snacks price point ready stock distributor in Gujarat.

Shirish Pardeshi: Okay. And just the last question. To my understanding, when I look at the industry, whenever there is the inflation and inflation, we don't have a respite. Generally, the regional local players withdraw because the cost cannot be minting their profitability. So, I mean, this is more pronounced in the packaged food and especially INR 5 and INR 10 price point. Is it visible or somewhere this misunderstanding is not correct?

Naveen Gupta: In last quarter I personally noticed a couple of brands getting shut down, one in Maharashtra, another is another in Rajasthan. We have not yet seen that kind of thing Q2 so far. but Shirish Bhai, in our industry, if this laminate price continues to be in this zone, that is going to be massively troubling thing for the smaller player.

Shirish Pardeshi: No, I understand. I mean, hypothetically, I mean, it's a wild thought. At INR 5, you are offering maybe 10 grams or 11 grams or maybe 12 grams. Is it better not to close INR 5 price point and shift everything at INR 10 or INR 20?

Naveen Gupta: No, Shirish Bhai, we are offering you know 20 grams, 22 grams and 23 grams at INR 5, not 10 grams - 11 grams.

Shirish Pardeshi: No no, general competition. I think what will you eat for INR 5?

Naveen Gupta: And that's true, but local players they typically have a higher KLD to attract more consumers. But when this laminate prices goes up, so they will have to bring down their KLD, and that then their USP vanishes. That is their USP, so there's the benefit, so that is helpful to us.

Shirish Pardeshi: But is there any visible Are these local players withdrawing maybe overcrowded market like UP or maybe Maharashtra?

Naveen Gupta: I told you last quarter we noticed that one of the brands called Star that was based out of Kolhapur, which is Ghodawat Group, they shut the shop. And there was another brand called Miraj based out of Nathdwara in Rajasthan, he also shut his shop. In Q2 no specific brand as such has come to my notice that they have shut their shop.

Moderator: Next question is from the line of Anuj D from Antique Stock Broking.

Anuj D.: I think just 2 questions on our network expansion. One is, we had earlier guided for 250 distributor additions during this calendar year. Are we sort of on track to meet that?

Naveen Gupta: Not exactly on track, but we are confident that in the full calendar year we will be able to add roughly 220 distributors. Anuj Bhai.

Anuj D.: And second is just one clarification. You mentioned 25 to 30 distributor additions in Gujarat. That would happen in 3Q or 4Q for the Western snacks?

Naveen Gupta: It will start post Diwali. And I am expecting roughly 15 distributors to be operational by 31st December and another 20 distributors between 15th January to 31st March, because, you know, there is a period of 15-20 days in first half of January when no new establishment takes place.

Anuj D.: Last follow up on we had I think three JV plants set up separately in Kashipur, Manendragarh as well as in Karnataka. How are they doing and what is our plan in terms of expansion there?

Naveen Gupta: So our Manendragarh joint venture is doing fantastically well. In fact, we have run out of capacity there roughly we are doing INR 3.5 crores to INR 4 crores per month in Manendragarh. Kashipur is doing average, roughly INR 1.25 crores per month, Hiriyur is below average. We are doing roughly INR 85 lakhs per month here.

Moderator: Next question is from the line of Ritviz Vora from Vora Investments.

Ritviz Vora: I think last time I spoke to you and wanted to meet you up, and maybe I think I'll send a mail this time as well to see if I can spend some time with you. Now quickly on to the question here. Sir, for wafers business in Gujarat the priority would be to build the brand or to build the channel, sir?

Naveen Gupta: So both will go simultaneously, Mr. Vora. First of all, we have got two brands in wafer category. One is Gopal Wafers, another is Cristos. So when we sell Gopal Wafers, we try to give more trade margins to the retailers as well as we support it through other trade marketing endeavours.

We recently did some consumer activation as well on Gopal Wafers. When we talk about Cristos, so our selling price is at parity with the market leader, and we try to position that brand as upmarket brand. As far as whether it is about building the brand or building the channel, both will go simultaneously.

We will not invest in Gopal wafer brand in terms of marketing endeavor, but we will continue to invest in consumer and create more consumer pull through marketing endeavors in Cristos brand.

Ritviz Vora: There is one more brand in the market with a similar name. I think it was Gokul, same packaging. I think the owner's surname is also very similar. I mean, is this some kind of an infringement on Gopal? I mean, are we doing something about it, or we feel that's not really competition?

Naveen Gupta: So there's a history to that, Mr. Borah. That brand is owned by Mr. Praful Hadvani, who is a real brother of our promoter. So that is a splinter group. So he started his own venture 3 years back. So there was initial disturbance in channel as well as in the market when we launched the products through disruptive strategies of giving stocks on credit, giving higher grammage, giving deep discounts and everything, which he continue to do to some extent even now. So now we treat Gokul as another brand. That's it.

Ritviz Vora: Yes, okay, sir. Then one last question on your focus markets. is Gathiya the full product or wafer would be the full product?

Naveen Gupta: It varies from, you know, market to market. Like Chhattisgarh, our 90% contribution comes from wafer. In Maharashtra, it's evenly distributed between wafer, Gathiya, Namkeen, and Snack Pellets. In Rajasthan, it's evenly distributed. In UP, it's Gathiya, 90% is Gathiya. In Uttar Pradesh, it's 90% Gathiya.

Ritviz Vora: Yes, so just one view and suggestion from my side. I think, you know, wafers should do very well outside Gujarat. That's my very strong feeling from the way I've seen people buy. You buy in Delhi, they always buy a INR 10 pack, they never buy a INR 5 pack. A lot of people buy plain simple salted wafers, most of them are lay, and they will be happy to get something from Gopal at a price point lower or a grammage higher.

Simple salted should do damn well. Gathiya, UP will definitely do well because that's the kind of people there. But in Delhi, in anywhere in north, I believe it should help you. That's my suggestion, sir.

Moderator: Next question is from the line of Ramesh Shankaran Narayanan, an Individual Investor.

Ramesh S. Narayanan: Congratulations on your results, your detailed presentation. So when you talk about your besan plant expansion, how do you think it will improve your economics in terms of improving the gross margins? And when do you see the full impact of that project? And the second thought is in terms of sourcing, given the drought we are facing in the Kharif season, do you see any challenges in terms of either availability or the raw material inflation going up, which you may not be able to pass on in the second half? How would you read that situation?

Rigan Raithatha: See answering to your first question besan plant which we have started at Nagpur, so it would immediately start reducing our transportation cost which we were paying from transferring from Rajkot where our main besan plant was there to Nagpur. So immediately that should impact our gross margin that should really improve our gross margin basis. So if you look at yearly, it should give us benefit roughly around INR 3 crores on a per annum basis.

Ramesh S. Narayanan: INR 3 crore.

Rigan Raithatha: Okay. As far as second question is concerned as far as Kharif product crop is concerned, we don't foresee much of the challenge as far as availability. Yes, there would be slight increase in the prices as considering lesser availability of the water, but there would be mixture of the things like chana doesn't require much of the water, but potato requires more amount of water. So it

would be mixed bag of things, but yes, there would be some increase in the prices as compared to current financial year in the next financial.

Ramesh S. Narayanan: So, but would you be able to pass it on in terms of the current competitive landscape?

Rigan Raithatha: See as we said earlier, we'll continue to take the necessary steps as far as to pass on the raw material increased price by improving our product mix reducing our trade marketing things, and we'll continue to focus on the other brands as we have been doing in the current first half of the financial year.

Ramesh S. Narayanan: Okay, one final thought. So in terms of your future growth drivers and levers for improving margins and returns do you have any visibility on improving your EBITDA margins as we improve the capacity utilization? How much would that be if you improve your capacity utilization? What would be the operating leverage benefit in terms of EBITDA margins going up? And secondly, would you see any change in your overall product mix in terms of the different products?

Rigan Raithatha: See, as far as EBITDA margins or operating leverage is concerned, that has started getting reflected in our H1 numbers also. So we have almost got 1% of the benefit as far as operating leverage is concerned, and that will continue to give us the benefit going forward also because our capacities by and large currently we operate around 37%-38% at the company level. So we'll continue to improve upon that. current year also, since we have done much of the grammage reduction in the current financial year.

So if we remove those grammage reduction, we would have increased our capacity utilization also. So going forward, as we continue to grow in the top line of 20%, so definitely once the war scenario cools down and we work on a normalized environment, we'll definitely reach out at the double-digit EBITDA margins.

Naveen Gupta: Answer your question on product basket. In H1 FY27 contribution from non-palm oil based product, which includes you know few bakery products, cupcakes, suji, rusk and noodles. These are contributing 3.25%of our current top line. By end of this financial year, this will look like 4.5%, and next year we aspire to take it to 6.5%. So these changes in product basket are aimed at 2 things.

One is you know, reducing our dependence from 100% palm oil-based product to certain similar categories And second is improved margins because there's a synergy in the product and distribution.

Moderator: Thank you, ladies and gentlemen. That was the last question for today. I would now like to hand the conference back to the management for closing comments.

Rigan Raithatha: So I would like to thank everyone for joining this call. I hope we have been able to respond to all your questions adequately. For any further information, we request you to please do get in touch with our Investor Relations team. Wishing everyone a very happy Diwali and a prosperous New Year. Stay safe, stay healthy, and thank you everyone once again. Thank you.

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

Rigan Raithatha: Thank you.