

GOPAL SNACKS LIMITED

(Formerly known as Gopal Snacks Private Limited)

Regd. Office/Unit 1 - Plot No. G2322-23-24, GIDC, Metoda,
Tal. - Lodhika, Dist - Rajkot - 360021, (Gujarat), India. Ph : 02827 297060
CIN : L15400GJ2009PLC058781
email : info@gopalsnacks.com | www.gopalnamkeen.com



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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 – Q3 UFR FY26

Dear Sir / Madam,

In continuation of our letter dated 16.01.2026 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 **Wednesday 28th January 2026 at 03:00 PM (IST)** to discuss the operations and financial performance for the quarter and nine months ended on 31st December 2025.

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

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

Encls: a/a

Unit 2 : GS:Survey No. 435/1A, 432, Pawaddauna Road, NH-6, Village-Mouda, Nagpur - 441104, (Maharashtra), India.
Unit 3 : G5:Survey. No. 267, 271, 272, 274, Village: Rahiyol - 383310, Taluka - Dhansura, District - Aravalli, (Gujarat), India.





“Gopal Snacks Limited
Q3 and 9M FY26 Earnings Conference Call”
January 28, 2026



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

MODERATOR: MR. NITIN GUPTA – EMKAY GLOBAL FINANCIAL SERVICES

Moderator: Ladies and gentlemen, good day, and welcome to Gopal Snacks Limited Q3 FY26 Earnings Conference Call hosted by Emkay Global Financial Services 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 has been recorded.

I now hand the conference over to Nitin Gupta from Emkay Global Financial Services. Thank you, and over to you, sir.

Nitin Gupta:

Yes. Thank you. Good afternoon, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Naveen Gupta, Chief Business Officer; and Rigan Raithatha, Chief Financial Officer.

I shall now hand over the call to the management for the opening remarks. Over to you, sir.

Naveen Gupta:

Thank you, Nitin. Good afternoon. Thank you for joining us for the earnings call. You all got a chance to go through our investor presentation uploaded on the stock exchange. We will share our key operating and financial highlights for Q3 and 9M ended December 31, 2025.

As we reflect on our Q3 FY26, it is evident that Gopal Snacks has maintained steady progress, demonstrating strong operational resilience and the ability to scale production despite challenges faced after the fire incident.

Our revenue for Q3 FY26 was at Rs. 400.8 crores, a 6.7% sequential increase from Q2 FY26. This growth was driven by strong performance across our core product segments, including the Snack Pellets and Gathiya categories, which grew 20.8% and 10.6% on Q-o-Q, respectively.

The growth highlights the continuous strong demand for our products and the operational efficiencies we have achieved. A key focus for us during this quarter was the ramp-up of our Modasa facility. This facility with an added installed capacity of 63,085 metric tons is now an integral part of our manufacturing base. It will play a vital role in meeting the growing demand for Gathiya and Namkeen products across our target regions.

Additionally, we continue to strengthen our supply chain by working with third-party manufacturers, ensuring that we can meet market demand without disruptions. Our efforts to expand our regional footprints have been fruitful with the support of 93 micro distributors under the SSD model.

This initiative has deepened our presence in untapped regions contributing to 28.7% Y-o-Y growth in other states. The success of this strategy is a testament of our commitment to building a strong distribution network and improving market accessibility.

In terms of marketing, we successfully secured a significant partnership as the official snack partner for the Filmfare Awards 2025. This association has provided us with an exceptional opportunity to enhance our brand visibility and engage with a broader consumer base across key media platforms.



Additionally, our marketing initiative during the festive season, including the Navratri campaign, further increased our consumer reach and brand recognition. And also, we launched our Gathiya digital and TV ad campaign 3 days back.

We continue to make progress in improving our distribution management system, which provides real-time insights to our distributors. This system plays a crucial role in improving inventory management, reducing lead times and enhancing supply chain efficiencies, all of which are key to maintaining our competitive edge.

Looking ahead, our focus remains on expanding our production capacity, enhancing our market penetration and investing in strategic growth initiatives. With the continuous operationalization of the Modasa plant along with our investment in technology and infrastructure, we are confident in our ability to sustain growth. As we move into the final quarter of FY26, Gopal Snacks is well positioned for sustained long-term growth, and we remain committed to creating value for all our 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, everyone. Let me now take you through the key financial highlights for the Q3 and 9M ended 31st December 2025. Starting with the quarterly performance. So, during Q3 FY26, we achieved a revenue from operation of Rs. 400.8 crores, registering 6.7% sequential growth, supported by improving demand trends, stronger traction in Snack Pellets and Gathiya and continued distribution expansion across newer geographies.

Gross profit for the quarter was Rs. 110.6 crores translating to gross margin of 27.6% compared to 26.4% in the previous quarter. Operational performance during the period benefited from improving manufacturing stability, supply chain normalization following the commissioning of Modasa facility.

With the commencement of commercial production in Modasa Namkeen plant, we were able to address key supply challenges that had arisen after the fire incident at Rajkot facility. The consolidation of multiple product categories at a single location is expected to improve order servicing timelines, enhance dealer convenience, which will aid to lowering of our trade discounts and ultimately will benefit the margin.

EBITDA for the quarter was at Rs. 30.4 crores, reflecting an EBITDA margin of 7.6%. Sequential margin expansion was aided by operating leverage and prudent control over discretionary spend.

Our profit before tax increased sequentially 41.5% to Rs. 19 crores, driven by stronger revenue and operational performance. Profit after tax for the quarter stood at Rs. 15.5 crores, resulting in a PAT margin of 3.9% for the quarter. This includes exceptional income of Rs. 10 lakhs coming from the scrap sale arising out of the fire affected facility.

Moving to the 9 months performance. For 9M FY26, revenue from operations stood at Rs. 1,098.6 crores, while EBITDA is at Rs. 69.7 crores, reflecting the margin of 6.3%. Profit before



tax before exceptional items stood at Rs. 37.7 crores, while profit after tax was Rs. 43.7 crores with a margin of 4%.

As we move into the final quarter of FY26, our priority remains focused on expanding market presence, improving operational efficiency and continue to drive for innovation in our product offerings. With our strengthened manufacturing network, including the newly operational Modasa facility and a disciplined approach to capital allocation, we are well positioned to sustain our growth.

We are confident that Gopal Snacks through its strategic initiative backed by strong financial foundation will continue to deliver long-term value for all its stakeholders.

Thank you. Over to you, Nitin.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Nitin Gupta from Emkay Global Financial Services.

Nitin Gupta: My first question is around like post commissioning of Modasa facility. So I basically wanted to understand like how has been the growth improvement? Like we have seen 3 quarters of decline, and this is the first quarter like we have seen a 2% revenue growth. So how materially a shift is happening now and how management is thinking that the growth can improve on a monthly basis from current levels? That's the first question.

Naveen Gupta: So Nitin bhai, as we had finally declared that from 1st of December, we will start getting our complete range from Modasa facility. Its reflection also came in our December number as well.

So now overall supply chain from Gujarat perspective are stable as well a few connecting states like Rajasthan is completely getting catered from Modasa only. And then there are parts of Western Madhya Pradesh and Mumbai and some parts of Western Maharashtra also getting catered from Modasa facility only.

So things are stable now. Overall revenue loss owing to the supply chain disruption in Gujarat was to the tune of 8% to 10%. And even in the surrounding states, Rajasthan was impacted the highest. So with the improved supply chain, we are confident that our run rate will certainly improve.

Nitin Gupta: Yes, that's really encouraging. So like we are actually from December, like seeing the supply improvement plus additionally the GST sort of support also from the government in terms of the rate reduction. So qualitatively, would you be able to highlight like how material is the shift in the numbers from November to December. Definitely, December, we will be ramping up. It will not be a true reflection, but some qualitative sense would be really helpful here?

Naveen Gupta: Our December numbers were 7% more than November.

Nitin Gupta: Okay, sir. This is good. And second, with respect to like gross margin expansion of 120 bps to 27.6%. This is more of a sequential Q-o-Q. So could you help us understand the factors which have aided margin expansion. One point I can take from the commentary is that we have taken



back some of the trade promotion. But if you can help us understand this better, that would be very helpful?

Rigan Raithatha:

Yes, Nitin. So post our supply chain issues since have started getting resolved. So partially from the mid of November, we started lowering our trade discount schemes. And on account of that, the benefit which flowed down in our gross profit was around 1% and also marginally due to cutting out low-margin and loss-making products from our products basket.

So that is also aiding our gross profit margin. Raw material prices were by and large, stable. So over there, 0.3% benefit is there. And again, post GST regime, we have also reduced the dealer margin, which has also benefited 0.5%.

Nitin Gupta:

This is helpful. My last question pertains to like this new other snacking segment, like we have basically split the other segment into 2. So now I can see that other snacking segment is now 4% of revenues. And sort of it is seeing in a way, like this percentage was around 1.7% last year. So like how we are positioned here?

We have multiple products, masala noodles, bakery, flour, oil, jaggery. So like is this more of an adjacent business? Or you think that some of the categories can become bigger for us. I have seen like there is wheat flour also we are getting into. So like I just wanted to know your thoughts around like multiple new categories we are trying out in other snacking.

Naveen Gupta:

So Nitin Bhai, in our multiple commentaries, we have expressed our intent to gradually reduce our dependency on imported oil. So as Rigan Bhai stated, we are doing two things simultaneously. One is cutting tail of those products or SKUs, which are low in margin contribution as well as revenue and simultaneously adding certain products which have got better margins and which are scalable in nature.

So to name a couple of products, we introduced rather 3 products. We introduced somewhere in July popcorn. So, popcorn run rate is right now Rs. 50 lakhs, Rs. 55 lakhs per month. We added wafer biscuit. So, it's a comparatively high-margin product and our run rate is Rs. 65 lakhs to Rs. 70 lakhs per month.

And we added another bakery product, which is in Rs. 5 price points, which is Kaju Biscuit, So it's a Kaju-shaped biscuit. So, it has also got good margins and which has started contributing to the tune of Rs. 35 lakhs to Rs. 40 lakhs per month.

So this is helping us in two ways. One is overall product basket, we are trying to reduce contribution of imported oil. And second is we are adding high-margin, high scalability potential product to our product basket.

Moderator:

The next question is from the line of Resha Mehta from GreenEdge Wealth.

Resha Mehta:

Congratulations on the commercialization of the Modasa facility. So now with this, like the Q-o-Q numbers have been better, like you called out December is higher versus November by 7%. Do we see a similar kind of growth rate, which is also happening as we speak in January because we are almost at the end of January?



- Naveen Gupta:** Yes, numbers are in line with our December number. Historically, out of last 5 years, Q4 has been lower than Q3 in 4 years. Out of 5 years, , but we are confident of reversing this trend this year. January numbers are in line with December number, which historically has not been the case.
- Resha Mehta:** Understood. And now like you said, so the supply chain problem gets solved, right? Like we are able to supply a full basket to our distributors and hence, that problem has completely gone away, right, at least 90% solved, right, with the Modasa facility?
- Naveen Gupta:** We can say as on date, more than 95%. We just did an exercise yesterday. So our fill rates as of now are with stipulated tap is 93%.
- Resha Mehta:** Right. And sir, so does that mean that the wafers degrowth, which was happening because it was more like a push product for us, right, and providing it as a part of the overall basket. So that degrowth should kind of start reversing?
- Naveen Gupta:** Yes, that degrowth will start reversing. There are 2 reasons of degrowth in wafers, Resha ji. One is we took an intentional price hike in wafers. So differential with the market leader versus our pricing to the retailer was to the tune of 20%. So we brought down the difference to the tune of 6% to 7%.
- So probably, we had not matured in that category to that extent, that steep hike was not taken generously by the retailer fraternity. And secondly, as a company, what we were doing earlier was we were giving a target of distributor, say, monthly target was Rs. 50 lakhs.
- So, we were doing a bundle activity with the wafer category to the distributor that he has to sell minimum, say, Rs. 7 lakh or Rs. 6 lakhs of wafers to get the monthly incentive. But later on, owing to our supply chain issues, we thought of not putting the pressure on distributor fraternity for the push product.
- Rather, we were giving them a lot of comfort in selling the pull products only. Now since our supply chain issues are resolved, so we will restart that activity. In fact, from 1st February, I'm going to restart that activity.
- Resha Mehta:** Okay. And you just called out that we had taken price hikes in wafers. I would imagine, would we have also taken price hikes in other products like Gathiya because I see there's quite a gap between the volume growth and the value growth even in Gathiyas. So have we taken price hikes there as well, which has also helped in improving gross margins?
- Naveen Gupta:** I tell you when we compute in a number of packets, so it looks like that we sold lesser number of packets. However, when we convert the volume in metric tons, so we have grown by 4%. So typically, what happened after GST, on price point products, we passed on that benefit to the consumer by giving extra grammage.
- So we did not take any price hike or price drop in price point product. However, in larger packs, we took a price cut. Like on MRP basis, earlier the product getting sold was of 50 MRP. Now



we are selling at 47 MRP. 500 grams, we were selling at 89 MRP. Now the MRP is revised to 84. So in absolute terms, we are selling more in metric tons.

Resha Mehta: And our trade spend used to be at somewhere around 3.5%. So since we've seen some reduction there, which you've mentioned. So now that number is reduced from 3.5% to what levels now?

Rigan Raithatha: In this quarter, we have reduced it by 1.2%.

Resha Mehta: Okay. And subsequently, this is expected like in Q4 also, would we see further reduction on the trade spend front?

Naveen Gupta: We will take a reduction on a very gradual pace, Resha ji. In Q4, it will be more or less in line with Q3. However, in Q1, when we reduced it by 0.25% and then we'll try to maintain that for 6 months. So annualized basis next year, we will reduce it by 0.5%.

Resha Mehta: And so now would you be comfortable in giving some kind of a guidance for the next financial year? I understand that seasonally, Q4 is weak. So, what you're giving a sense is that we should still be higher than Rs. 400 crores or thereabouts in Q4. But in FY27, considering Modasa plant has been commercialized, and our supply chain issues are largely resolved, would you like to give any kind of revenue guidance and therefore, even a margin guidance, assuming raw material prices remain stable.

Naveen Gupta: Resha ji, we, on a YTD basis, we have touched Rs. 1,100 crores, right? And our Q3 numbers are visible. We are stating that Q4 numbers, we are reversing the trend. So, I mean, we'll be somewhere Rs. 1,500 crores kind of number we will be closing this year. So next year, we have made a rough sketch of our annual operating plan. So, we have taken a delta of Rs. 300 crores to Rs. 350 crores for next financial year in our plan.

Resha Mehta: Rs. 1,800 crores to Rs. 1,850 crores. And on the margins, EBITDA margins, assuming raw material prices are stable?

Rigan Raithatha: Yes. So, on the top line front, it would be in the range of Rs. 1,800 crores to Rs. 1,900 crores. That is what we are anticipating. And in terms of EBITDA margins, so like in the current quarter, our EBITDA margins are close to 7.6%. So as we would be exiting on the similar rate. So next year, we are targeting on an annualized basis, EBITDA margin between 8% to 9% within next year exit rate close to double digit.

Resha Mehta: Wouldn't you say that 8% to 9% annualized margin for next year is very conservative, assuming raw material prices are stable? Or despite Modasa plant being operational for two months, we've not seen those distributors who we lost, they're not coming back or maybe we are not seeing market share gains again. So that's why we would want to guide for lower margins? Or is there some other reason?

Rigan Raithatha: So there are a couple of other things. One thing, so post Modasa commissioning, so that we are quite confident. So over there, there is nothing of an issue. As in our opening commentary, we said we are now aggressively moving into the market in terms of spending more on the advertising, sales promotion schemes.



So that is one of the things. So sequentially, probably we would be improving on that trajectory. So probably in, let's say, in first or second quarter, improvement might be a little bit less. But next going forward, it should be on a very fast trajectory. So that's the reason we are likely to maintain between this range. And that's the reason we are also seeing that our exit rate would be much higher than the average rate.

Resha Mehta: Understood. And on the other products, right, I think even the previous participant called that out, while I appreciate that we want to reduce our dependency on palm oil, but I think we're also selling beauty soaps and washing bars and ghee, I mean, and jaggery, right? So wouldn't you say that these are completely unrelated products? What would be our right to win and very fringe, what are your thoughts here? Why are we getting into these products?

Naveen Gupta: These are our byproducts only, Resha ji. When we process our products through oil, so a lot of oil gets generated as a byproduct. So this oil, soap, this is by product.

Moderator: We will move with the next question from Shreya Chatterjee from Angel Capital.

Shreya Chatterjee: I wanted to understand a bit more that the Q-o-Q growth in the focus markets is a bit slower than the core markets. So what are like our strategies on the focus market, what would be the future growth rate in the focus markets? And what about adding distributors in both the core and focus markets, if you could give a bit more color to that?

Naveen Gupta: Yes. So Shreya, so one thing is in core markets, we will not add to number of distributors. We have got footprint in 99% of Gujarat at district levels. So we will not add to number of distributors in our core markets. Now coming to focus and other markets, we have taken an ambitious aim of adding one net new distributor every working day starting from 1st of January till 31st December.

So right now, we have 881 distributors on our SAP. And we have taken an ambitious aim that we will add somewhere between 250 to 300 distributors within this calendar year. So coming to how will we perform in focus markets? So there was a reason that why in focus markets, our growth rates were subpar.

One was Rajasthan, West Maharashtra and West Madhya Pradesh was disturbed in terms of supply chain. However, these are streamlined now. Within focus markets and other states, the growth will come from two factors. We have aimed just 15% growth from our existing distribution network and roughly Rs. 75 crores of delta will come from addition of new distributors. So there will be a complete ladder, which will get built the way we did in 2024 as well from April 1.

Shreya Chatterjee: Yes. So, the guidance of Rs. 1,800 crores to Rs. 1,900 crores, which you just gave now for FY27, is it factoring into this 250 to 300 distributors, that ambitious guidance, or are you taking into consideration like even if like 80% to 90% of it is achieved, you will be able to take Rs. 1,800 crores to Rs. 1,900 crores?



- Naveen Gupta:** Yes, we have taken a range of Rs. 150 crores goes to Rs. 160 crores delta coming from our Gujarat business. From non-Gujarat business, we have taken an aim of delta of Rs.130 crores to Rs. 150 crores. So out of this Rs. 140 crores, Rs. 70 crores will come from existing set of distributors and Rs. 70 crores, Rs. 75 crores from new set of distributors. Besides this, there are alternate trade channels.
- So by alternate trade channels, I mean that we have got business of railway, modern trade, quick commerce and exports. Unfortunately, in the entire year, YTD, we have just done Rs. 80 lakhs of export this year, whereas previously, we had done Rs. 8 crores of export this year. So delta coming from these alternate trade channels will be Rs. 25 crores. So that will translate into the overall delta of Rs. 350 crores.
- Shreya Chatterjee:** So is it then fair to assume that we can see a growth rate of 15% plus in the focus market once everything stabilizes. And also, what is your capex plan going ahead given that now you are increasing the grammage in your packet. So what would be the capex plan going ahead?
- Naveen Gupta:** Answering your first question, Shreya, in the core state, there will be two reasons for us to grow. One is our stabilized supply chain, which will be backed by automation and distribution plus our marketing endeavors. Coming to capex part, I'll let Mr. Rigan answer this question.
- Rigan Raithatha:** So as far as capex since we have enough capacities available currently. So we don't require to build any additional capacity to incur additional sales or to improve the grammage.
- Shreya Chatterjee:** Got it, sir. And sir, about the namkeen category, do we see the growth coming back once we get a full quarter of operation in Modasa facility? Or is there a degrowth of some sort in the namkeen category? Because there has been a slight degrowth in the namkeen Q-o-Q?
- Naveen Gupta:** Yes. So let me deep dive into the numbers, Shreya ji. Typically, when we start our operations in Modasa, so our first priority was to manufacture the single-line product items. So all the Gathiyas are single-line product items, whereas when we sell namkeens, so namkeens have got 5 items, which have got mixture.
- So manufacturing mixture is a comparatively complex thing because then you have to do a mixture of several things. So now since entire production and supply chains are stabilized, so namkeens will also come into growth trajectory.
- Moderator:** The next question is from the line of Azharuddin Jariwala from Sameeksha Capital.
- Azharuddin Jariwala:** Okay. So my question is on the side of the geographical volume as we are seeing quite muted growth in our core market. So how are we taking any measures to revive the volume in core market?
- Naveen Gupta:** Yes, Mr. Jariwala, If you consider Gujarat as our core market, so strategy is very clear that, one, since our supply chain has stabilized, so distributors have already started getting full range from one place only. So that helps in faster rotation of his business.



Second, we have already started automation of our distribution ecosystem and that we are complementing through adding more number of salesmen to cater majority of outlets twice in a week instead of once in a week.

And third factor will be marketing endeavor. We started our TV campaign as well as digital campaign as well as print campaign 3 days back. So that is going to help largely into core markets itself, which is Gujarat.

Azharuddin Jariwala: Okay. And for the next year, as you are assuming the delta of Rs. 300 crores to Rs. 350 crores income incrementally. So how are you looking at the category-wise like the Gathiya and Namkeen or which are the higher-margin products which you are focusing currently. So how are you looking at the category-wise revenue?

Naveen Gupta: See, at company level, if we are aiming to have a growth of 20% plus, so that will come from the respective categories only. So in our Fryums category, this was first quarter after so many quarters that we are able to bounce back. So Fryum, we will continue to grow by 20%. We are doing certain innovations and renovations in our Fryums category.

In Gathiya category, it will be aided through TV ad and marketing campaigns. So Gathiya, we will certainly grow by 20%. And in wafer category, since our base have depleted, so we will like to come back to our original run rate. So the overall growth run rate growth, we are aspiring 20% plus. So it will get reflected in across categories.

Moderator: The next question is from the line of Amit Agicha from HG Hawa.

Amit Agicha: Sir, what was the marketing spend in Q3 9M FY26 in crores and in percentage of revenue?

Rigan Raithatha: So in Q3, in terms of percentage of revenue, it was close to 2%.

Amit Agicha: And will it be possible for giving you the 9 months figure. If you have, you can mail it later. And sir, also, how does the management measure the return on investment on the sponsorship, which you all did in Filmfare and festival sponsorships?

Naveen Gupta: Amit bhai, I mean it was first mega event in which we did participation, right? So before we launch our TV campaign, so it was important for us to get into some sizable platform. So there are agencies, third-party agencies, which gives us measurement in terms of improvement in brand recall value.

So if we consider that in terms of revenue, what was the ROI. So that is attributed to various factors. So it's challenging to dissect that how much incremental revenue came from which factor. However, we have already delegated this task to our marketing agency to measure how much improvement it is giving us in terms of brand recall value.

Amit Agicha: And sir, would it be possible for you to give what percentage revenue currently comes from e-com, q-com platforms?

Naveen Gupta: Yes, sure. So on YTD basis, we have done Rs. 15 crores revenue comprising of 4 alternate trade channels. One is railway and other is modern trade, third is quick commerce and fourth is export.



Q3, our railway business was Rs. 2.3 crores, modern trade was Rs. 1.48 crores and quick commerce was Rs. 1.91 crores and Q3 exports was 0. And on YTD basis, railway, we have done Rs. 5.41 crores, modern trade, Rs. 3.59 crores, quick commerce, Rs. 5.3 crores and exports Rs. 80 lakhs.

Amit Agicha: So do you see this e-commerce as a brand-building channel or a material revenue driver over the next 2 to 3 years?

Naveen Gupta: I mean it's both for us. Next financial year, we'll be doing on an annualized basis, we'll be doing roughly Rs. 15 crores, Rs. 17 crores from e-commerce. So that will translate a little less than 1% of our top line. So I mean, it's helpful and definitely in brand building as well. Because we sell product at quick commerce platform. So it's not price point product. It's in-house consumption product. So it helps us in brand building as well.

Amit Agicha: And sir, last question, sir. So how does management balance the debt reduction versus growth capex post the fire recovery?

Rigan Raithatha: So in terms of debt, currently, we have only working capital facilities with a couple of banks. So we don't have any term loan in our balance sheet currently. And in terms of capex, so post completion of the fire-related capex, we don't foresee much of the capex is majorly going forward, capex is mainly would either it would be profit margin improvement or would be some maintenance capex for the future.

Moderator: The next question is from the line of Dharmil Shah from Dalmus Capital Management.

Dharmil Shah: So first question is more on the Q4 commentary, which you mentioned that it would be similar to Q3. In Q3, the Modasa plant was only operational for the December month. And despite it being operational for the entire quarter in Q4, why is it that it would be at similar levels at Q3? I mean, are there any other challenges apart from manufacturing we are facing right now at distribution level or on the ground.

Naveen Gupta: There are no such challenges, Dharmil Bhai. As I stated that historically, Q4 is always weaker versus Q3 to the tune of 4% to 10%. So we will definitely reverse that trend, either we will do at par or it will be slight better than Q3.

Dharmil Shah: Okay. Understood. And the challenge you mentioned that you are increasing the salesmen at ground level. How long would it take to normalize this challenge post fire, what you had mentioned?

Naveen Gupta: Yes, that's an ongoing exercise. I started that exercise somewhere in May FY25, but then we backed out because of operational challenges, and we stopped that exercise in July. So we have restarted that exercise now. And in last couple of months, we are able to add 200 more salesmen in Gujarat alone.

And now roughly 24% of the leads are getting double coverage. So that procedural change is taking some time and then there's a behavioral change because how does a retailer react to double



service, how a distributor is able to manage the secondary distribution supplies when booking frequency has gone from once in a week to twice in a week.

So overall, typically, it takes 100 days to stabilize once we start double service in a particular market. But when I say it's a gradual process, we have got 324 distributors right now in Gujarat. So already at 85 distributors, we have full leads under double coverage and roughly 45, 50 distributors are such where partial bids are under double coverage.

So when I say gradual, so over a period of time, we will bring 80% to 90% of our dealers and leads under double coverage. So that will take the whole thing will take one year to get stabilized.

Dharmil Shah:

Got it. Got it. And you had initiated the marketing campaigns in November. I mean, Filmfare was one, TV ads. And because most of our portfolio is impulse category tilted, the impact should have been more, right. I mean what are you seeing the trends from the market?

Naveen Gupta:

See, the Filmfare was one of the events, and we didn't spend much money to amplify that event. However, our full-blown communication started on 25th of January only, just 3 days back only. So we have to assess that we are sure since I have my own previous experiences that when impulse category buying low price, low involvement category or replaceable category kind of brand, start the marketing campaign, then how does core market react and how noncore market reacts.

So there are a lot of curious distribution inquiry calls from noncore markets. However, actual revenue, absolute revenue growth comes from core market because noncore so you have to first respond to that distribution inquiry call and that the ratio of converting from inquiry to actual appointment is just 1.4%. If we get 100 inquiries, then only 1.4 distributors actually get appointed. In fact, the advertisement gets more revenue from the core market and gets more quickly.

Dharmil Shah:

Understood. And this core market, the marketing campaign would only be through TV ads or I mean, are we tapping into social media as well?

Naveen Gupta:

360 degrees, social media digital, radio, out-of-home, print, TV.

Dharmil Shah:

And what is the budget that we have kept in mind, I mean, to incorporate all of these campaigns?

Naveen Gupta:

In Q4, we have budgeted around Rs. 8 crore.

Dharmil Shah:

Got it. Got it. And last question, I mean, if you see the organized player in the snacking segment, each company has got, I mean, hero product, which is successful at pan-India level, not just very state-specific. I mean, Bhujia or is it wafer for some other company. Do you think Gathiya can become a hero product in a long time because it's a very community-specific product so far. Do you think it's possible maybe in next 5 to 10 years? And what would it take to do that?

Naveen Gupta:

No, Dharmil Bhai, so I'll request you to go through Slide number 9 in our presentation, if you see Gathiya contribution in FY23 from core state was 76.4%, and it is 69.3% as on date. In Uttar



Pradesh, my current run rate is Rs. 6 crores. So out of that Rs. 6 crores, 72% contribution comes from just two SKUs of Gathiya. Similarly, Jharkhand run rate is Rs. 2.5 crores.

Out of that Rs. 2.5 crores revenue, Rs. 1.75 crores revenue is coming just from Gathiya. So this is what I have been stating in my previous commentary that onus is on us. We are flag bearer of this category. So we have to shoulder this responsibility. This is why a true marketing campaign was badly needed to make the product more visible nationally.

So we have just unveiled that campaign. So we will certainly improve a lot in distribution and marketing campaign will definitely help us in expanding our hero product category.

Moderator: The next question is from the line of Bhumin Shah from Equirus Securities.

Bhumin Shah: Yes. I have only one question. Across the category, there is a delta between the revenue growth and the number of packets sold on a Y-o-Y basis as well as Q-o-Q basis. So can you explain that if we have taken any price hike or behavioral changes are there and people are moving towards the higher grammage packet or high price point packet?

Naveen Gupta: So Bhumin Bhai, see, there is a decline in number of packets. However, in absolute metric terms, the growth is 4% in volume terms. So consumer has overall eaten in more quantities. So we have not taken any price hike except in Wafer segment. So we understand that in terms of metrics, there has been decline. But with various measures, which I just stated on the previous question, we'll recover on that part as well.

Bhumin Shah: Correct. So there is no change in the composition of Rs. 5 to Rs. 10 or larger packs being sold. Because if I look at Gathiya for Q-o-Q, there is 2% growth in terms of packets sold, whereas there is 10% growth in terms of revenue?

Naveen Gupta: So, if we see the Slide number 25, so we can see by price point now above 10 MRP contribution is 18%, whereas Rs. 5 price point contribution is 63.3%. And if we talk 3 years like somewhere FY22 to FY23, so Rs. 5 price point contribution was to the tune of 80% in product basket of Gopal.

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

Shirish Pardeshi: Just on Slide 22, just extending the previous question, we have GST event coming up. That's first part. Second, we have ramped up our facility and production. Third, last quarter, we also said that we are building the contract manufacturing.

So this question is specifically on the UP and the other markets. I think the growth has picked up. But when I do the math, you said that the volume growth is 4%, which is still lower. So I'm not able to concile because your volume growth or package growth is 0.9% for Gathiya. I'm talking about only specific for Gathiya?

Naveen Gupta: Just give me a moment. We increased the grammage in price point packs, all Rs. 5 price point. We are giving 21 to 22 grams. So now we are giving 23 to 24 grams. So there is 6.6% volume growth in terms of metric ton in Rs. 5 SKU price point in terms of tonnage.



Shirish Pardeshi: Okay. But you said it was 4%. The metric tonnage growth was 4%?

Naveen Gupta: Overall, 4%. But in Rs. 5 price points, it is 6.6%.

Shirish Pardeshi: And what could be this number specifically for Gathiya in terms of tonnage growth, volume growth?

Naveen Gupta: I will have to check. Just give me a moment.

Shirish Pardeshi: Okay. Maybe later on, you can share. The second question is UP apparently is a very large market, and we also have a very positive view. Can you strip out the growth we are expecting in UP in terms of capacity expansion, in terms of distribution expansion and in terms of scale up of our product portfolio?

Naveen Gupta: Right. So let me come to capacity expansion. We already commenced third-party operations in Kashipur 3 months back. So we are manufacturing just 4 SKUs there, Shirish bhai. And these 4 SKUs eventually contribute more than 80% of our top line currently in Uttar Pradesh. So we have no dearth of capacity or no supply chain issues as of now in Uttar Pradesh. So distributor earlier was getting stocks in 3 days from Nagpur.

Now he is getting stocks either second day or either second day or third day maximum. Now coming to distribution expansion part, we have currently 110 distributors in Uttar Pradesh. And the maximum number of distributors which we have aspired to grow is in Uttar Pradesh and the Nagpur factory. So we are aspiring 180-plus distributors by end of this whole calendar year in Uttar Pradesh.

And as far as Uttar Pradesh is concerned, we are trying to work on efficient distribution model as well as efficient product baskets. So we do not intend to expand our product basket, particularly in Uttar Pradesh market. That will be purely need-based and situation based.

Whatever new distributors we are going to appoint in Uttar Pradesh, we'll keep them confined to a very limited number of SKU product basket. So our regular salesman can cover more than 50 outlets per day instead of selling more number of SKU and just covering 40 outlets in a day.

Shirish Pardeshi: Okay. And on the Modasa, you said 4 categories you have started manufacturing or full range has started?

Naveen Gupta: No, no, not 4 categories, just 4 SKUs, Shirish bhai.

Shirish Pardeshi: So Modasa, how many categories have started now manufacturing?

Naveen Gupta: 100% categories is getting manufactured in Modasa right now. Everything. There are 4 third-party products like banana wafers we get manufactured from third party. Then there's a Kaju Biscuit and wafer biscuit, which we get manufactured from third party. So except these items, everything is getting manufactured in Modasa.

Shirish Pardeshi: So today, Modasa will stabilize maybe about 50%, 60% capacity utilization in Q4 and March or it will be lower? I mean you are scaling up the operations, so that's why I'm asking this question?



- Rigan Raithatha:** So capacity utilization in the current quarter, it was less. Obviously, in the March quarter, it should improve. So it should be in the range of around 50 to 55.
- Shirish Pardeshi:** Okay. And this Rajkot by what time you will start getting the capacity utilization? Do you have any time lines you have started out?
- Rigan Raithatha:** So Rajkot plant majority should get operationalized by the last week of March or probably by the mid of April. So that should start reflecting in the next year's first quarter.
- Shirish Pardeshi:** So all in all, you're very confident that you will match the revenue what you've achieved in FY25, and you will be recouping the margin because of the operational efficiencies. That's what we should look at FY26 or will be lower?
- Rigan Raithatha:** So in terms of top line, yes, we should be higher than the last year's full year's number. And in terms of margin, full year in terms of EBITDA, we should be around 7%.
- Moderator:** The next question is from the line of Soham Samanta from Motilal Oswal.
- Soham Samanta:** I just wanted to check on gross margin because in 9 months, we have done 27.5%. So how do you expect to close this for this year in gross margin?
- Rigan Raithatha:** Gross margin for the full year you are referring?
- Soham Samanta:** Yes, for FY26.
- Rigan Raithatha:** So full year gross margin, we would be around 27%. So in the Q4, we expect our gross margin to be in the similar lines of Q3.
- Soham Samanta:** So just a hypothetical, as you mentioned earlier that our EBITDA margin would be in the range of 8% to 9% for FY27. So I assume earlier we used to do 11%, 12% I mean, 2, 3 years ago, we used to do on the range of 12%. So obviously, for next FY28, it's not possible to go in that level. But if Gopal Snacks wants to go in that level, particularly, what are the key factors you should look from 9% to 12%?
- Rigan Raithatha:** I mean so one thing is so by FY28, obviously, we will be aiming to achieve that number. When we see next year, when we are seeing 9% around and I say the quarterly, our exit rate would be near to double digit. So obviously, for FY27, FY28, then double digit becomes a normalized EBITDA margin. So we should be reaching to that kind of an EBITDA margin by FY27.
- Soham Samanta:** Yes. So basically, that's why I'm asking, what are the key factors from 9% to 12%?
- Rigan Raithatha:** So key factors, 9% to 12% would be, one, we would be, as Naveen ji said in the previous questions, we are improving our product basket mix. We are reducing the categories or we are cutting down the products wherein the lower margin or the very minimal margin was there. Instead of that, we are introducing the high-margin products.
- Secondly, once we will shift from fully from Gondal to the Rajkot facility, that should improve our operational efficiencies. Thirdly, our freight cost should also improve from the Modasa,



which we have said previously, it should benefit on a yearly basis, somewhere around Rs. 8 crores to Rs. 10 crores should translate around 0.5% to 0.6% margin.

Thirdly, wherever long-term agreements we have entered, that should also improve our efficiency level because freight cost would reduce over there also. So these are the few parameters. And also we are introducing in terms of process efficiency everywhere, the bio coal would be used. So that also should improve our operational efficiency. We are coming with the basin plant at Rajkot. So that should also improve by 0.2%, 0.3% of our EBITDA margin.

Naveen Gupta: And Soham bhai, not to forget when we start incurring marketing expenses, so that gives us strength to take a little more money from consumers' pocket as well as from trade pocket.

Soham Samanta: And last question from my side, like if we were to grow 15% over here, how do you look namkeen as a category? I mean if we expect 15% category growth would be at par or it will be much lower or higher? How do you look at the namkeen category?

Naveen Gupta: See, the namkeen category, the growth rate across category will be between 15% and 25%. Wafers, we will aspire to do more. However, our total wafer value base is lower. So it may be 30% in the range of 30%. So Gathiya, 20% and then Fryums is 20%, wafer 30%. So namkeens will be between 15% to 20%.

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

Rigan Raithatha: I would like to thank everyone for joining this call. I hope we have been able to respond to all your questions adequately. In case of any further information required, we request you to please get in touch with our Investor Relations team. Stay safe, stay healthy, and thank you once again for joining this call.

Moderator: Thank you. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Naveen Gupta: Thank you, everyone.