

## Company Overview

Ganesh Consumer Products Ltd. is a fast-growing FMCG company headquartered in Kolkata, West Bengal, with a strong regional presence across East India. Established in 1936 with a small retail outlet in Burrabazar, the company has evolved from a traditional flour business into a diversified packaged foods player. Corporatised in 2000, Ganesh has steadily expanded its operations and product portfolio to become a leading packaged staples brand. As of FY25, it ranks as the third-largest brand of packaged whole wheat flour (atta) and the largest brand in wheat-based derivatives such as maida, sooji and dalia in East India. The company is also among the top two players in the region for packaged sattu and besan, commanding market shares of 43.4% and 4.9% respectively, while holding an estimated 40.5% value share in wheat-based products within West Bengal. Leveraging an omni-channel distribution network, Ganesh reaches the general trade through over 28 carrying and forwarding agents, nine super stockists and 972 distributors as of March 31, 2025. Its diversified product basket comprises 42 products and 232 SKUs, spanning consumer staples such as whole wheat flour, gram-based flours, semolina, roasted gram flour and cracked wheat, along with emerging categories like packaged instant food mixes (including khaman dhokla and bela kachori), a wide range of spices (whole, powdered and blended), ethnic snacks such as bhujia and chanachur, and niche ethnic flours such as singhara and pearl millet. All products are marketed under the flagship Ganesh brand, which has been extended into multiple sub-brands to serve different consumer segments. The company operates eight manufacturing facilities across West Bengal, Telangana and Uttar Pradesh, enabling strong control over production and quality. Its business is predominantly business-to-consumer (B2C), contributing 77% of FY25 revenue, complemented by business-to-business (B2B) sales to other FMCG companies, HoReCa businesses and small retailers, as well as sales of by-products like wheat bran and chana chunni used as cattle feed.

## Objects of the issue

The company proposes to utilise the net proceeds from the fresh issue towards funding the following objects:

- ⇒ Prepayment and/or repayment of all or a portion of certain outstanding borrowings availed by the company;
- ⇒ Funding capital expenditure for the setting up of a roasted gram flour and gram flour manufacturing unit in Darjeeling, West Bengal; and
- ⇒ General corporate purposes.

## Investment Rationale

## East India's packaged flour market leader with strong growth momentum

The company commands a leading position in the packaged flour and derivatives market in East India, offering a substantial outlay backed by scale, brand strength and growth visibility. According to the Technopak Report, the company accounted for ~12.6% market share of packaged wheat and gram-based products in East India by value in FY25, making it one of the largest brands in the region. It is the 3rd largest player in packaged wheat flour with an 8% market share, and the largest brand in wheat-based derivatives, holding dominant shares of 31.2% in sooji and dalia and 16.4% in maida. The company is also among the top two players in gram-based flours, with a 43.4% share in sattu and 4.9% in besan. These leadership positions are underpinned by the company's focus on quality, differentiated offerings and affordability, which have helped build a strong and trusted brand. The overall packaged wheat-based products market in India, valued at Rs. 35,176 crores in FY25, is projected to grow at a 15.7% CAGR to Rs. 73,027 crores by FY30, while the East India segment is expected to expand at a similar 15.9% CAGR to Rs. 9,289 crores over the same period, offering a significant runway for growth. Ganesh's extensive distribution network, prudent brand-building initiatives and advance-payment sales model reinforce its market presence and strengthen cash flows for the business.

## Expansive multichannel network and customer reach fueling future growth

The company has built a well-established, multichannel distribution network that provides a formidable competitive advantage and significant entry barriers for new players. The company operates a widespread general trade channel across key eastern states including West Bengal, Jharkhand, Bihar, Odisha and Assam, supported by 28 carrying & forwarding (C&F) agents, 9 super stockists and 972 distributors as of March 31, 2025, catering to over 70,000 retail outlets. This extensive reach ensures deep market penetration and strong control over inventory and pricing through a C&F model, with over 95% of general trade sales conducted on an advance payment basis, demonstrating strong demand and cash flow discipline. General trade contributed 83.5% of B2C revenues in FY25, under-

## Issue Details

|                                  |                                                           |
|----------------------------------|-----------------------------------------------------------|
| Offer Period                     | 22 <sup>nd</sup> Sept. 2025 - 24 <sup>th</sup> Sept. 2025 |
| Price Band                       | Rs. 306 to Rs. 322                                        |
| Bid Lot                          | 46                                                        |
| Listing                          | BSE & NSE                                                 |
| Issue Size (no. of shares in mn) | 13                                                        |
| Issue Size (Rs. in bn)           | 4.1                                                       |
| Face Value (Rs.)                 | 10                                                        |

## Issue Structure

|        |     |
|--------|-----|
| QIB    | 50% |
| NIB    | 15% |
| Retail | 35% |

|      |                                                                                               |
|------|-----------------------------------------------------------------------------------------------|
| BRLM | DAM Capital Advisors Ltd., IIFL Capital Services Ltd., Motilal Oswal Investment Advisors Ltd. |
|------|-----------------------------------------------------------------------------------------------|

|           |                             |
|-----------|-----------------------------|
| Registrar | MUFG Intime India Pvt. Ltd. |
|-----------|-----------------------------|

| Particulars                  | Pre Issue %  | Post Issue % |
|------------------------------|--------------|--------------|
| Promoters and promoter group | 75.3         | 64.1         |
| Public                       | 24.7         | 35.9         |
| <b>Total</b>                 | <b>100.0</b> | <b>100.0</b> |

(Assuming issue subscribed at higher band)

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# Ganesh Consumer Products Limited

scoring the strength of this channel. Complementing this foundation, Ganesh has expanded into modern trade, with its products present in 204 retail stores across East India, and a rapidly scaling e-commerce channel, which delivered a robust CAGR over FY2023-25 period and accounted for 10.4% of B2C revenues in FY25. The company has also invested heavily in technology implementing Botree DMS and SFA systems, Rise with SAP S/4 HANA, and AI-driven chatbots to optimize supply chain efficiency, improve distributor performance, and enhance customer engagement. This multi-channel strategy drives revenue diversification and operational efficiency, also creates a highly defensible distribution ecosystem, positioning Ganesh to capture growing demand for packaged foods while safeguarding margins and market share in a competitive FMCG landscape.

## Valuation

Ganesh commands a leading position in East India with a 12.6% market share in packaged wheat and gram-based products and leadership across key categories such as sooji, dalia, maida, sattur, and besan, braced by a strong brand and a well-established multichannel distribution network spanning 28 C&F agents, nine super stockists, 972 distributors, and over 70,000 retail outlets. The company's strategic focus on quality, differentiated product offerings, and affordable pricing has enabled it to build significant consumer trust and entry barriers, while its technology-driven supply chain ensures operational efficiency and scalability. The company operates in India's rapidly expanding packaged food sector, which is projected to grow at a 15.7% CAGR to reach Rs. 73,027 crores by FY30, with East India, the company's core market, expected to grow at a similar 15.9% CAGR to Rs. 9,289 crores over the same period. On the financial front, the company has established robust performance with revenues growing at an 18% CAGR between FY23 and FY25, aided by healthy margins, a B2C-driven revenue mix (~77% in FY25), and a working capital-light model driven by advance payments from distributors. The company's strategies include expanding its product portfolio, deepening penetration in East India, scaling modern trade and e-commerce channels, and leveraging brand equity for cross-category growth. Future growth will be driven by capacity expansions, geographic diversification beyond East India, and further premiumization of its product range. Given its market leadership, scalable distribution network, consistent financial performance, and the structural growth opportunity in India's packaged staples market, Ganesh Consumer Products is well-positioned to deliver sustainable revenue growth and margin expansion over the long term. **At the upper price band of Rs. 322, the company is valued at a P/E multiple of 33.0x FY25 earnings. We, thus, recommend a "SUBSCRIBE" rating for this issue.**

## Key Risks

- ⇒ The company is significantly dependent on the steady supply of key raw materials and packaging materials for its operations. Any inadequate or interrupted supply, volatility in raw material prices, or seasonal variations could adversely impact the company's business, operating results, cash flows, profitability, and overall financial condition.
- ⇒ The company's operations are exposed to government policy and regulatory changes related to the procurement or stocking of wheat and gram, which are its key raw materials. Since raw materials are procured at spot prices linked to government-set guidelines, any revision in these regulations could lead to price escalations or supply shortages, adversely affecting production costs, profitability, and overall business performance.
- ⇒ A significant portion of the company's B2C revenue is derived from whole wheat flour and wheat and gram-based value-added flour products. Any decline in consumer demand, changes in consumption patterns, or disruptions in the production of these key products could materially impact the company's revenue, profitability, and overall financial performance.

# Ganesh Consumer Products Limited

## Income Statement (Rs. in millions)

| Particulars                                                      | FY23         | FY24         | FY25         |
|------------------------------------------------------------------|--------------|--------------|--------------|
| <b>Revenue</b>                                                   |              |              |              |
| Revenue from Operations                                          | 6,108        | 7,591        | 8,505        |
| <b>Total Revenue</b>                                             | <b>6,108</b> | <b>7,591</b> | <b>8,505</b> |
| <b>Expenses</b>                                                  |              |              |              |
| Cost of materials consumed                                       | 4,826        | 5,936        | 6,702        |
| Purchase of stock in trade                                       | 37           | -            | -            |
| Changes in inventories of finished goods, WIP and stock in trade | -149         | 32           | -88          |
| Employee benefit expenses                                        | 125          | 136          | 136          |
| Other expenses                                                   | 707          | 853          | 1,022        |
| <b>Total Operating Expenses</b>                                  | <b>5,546</b> | <b>6,957</b> | <b>7,772</b> |
| <b>EBITDA</b>                                                    | <b>561</b>   | <b>634</b>   | <b>732</b>   |
| Depreciation & amortization                                      | 171          | 266          | 236          |
| <b>EBIT</b>                                                      | <b>390</b>   | <b>368</b>   | <b>496</b>   |
| Finance costs                                                    | 67           | 66           | 64           |
| Other Income                                                     | 40           | 62           | 47           |
| <b>PBT</b>                                                       | <b>364</b>   | <b>364</b>   | <b>479</b>   |
| Total Tax                                                        | 93           | 94           | 125          |
| <b>PAT</b>                                                       | <b>271</b>   | <b>270</b>   | <b>354</b>   |
| <b>Diluted EPS</b>                                               | <b>7.5</b>   | <b>7.4</b>   | <b>9.7</b>   |

Source: RHP, BP Equities Research

## Cash Flow Statement (Rs. in millions)

| Particulars                                                     | FY23     | FY24      | FY25     |
|-----------------------------------------------------------------|----------|-----------|----------|
| Cash Flow from operating activities                             | -131     | 885       | 461      |
| Cash flow from investing activities                             | -199     | -222      | -172     |
| Cash flow from financing activities                             | 335      | -670      | -282     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>5</b> | <b>-7</b> | <b>7</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>4</b> | <b>9</b>  | <b>2</b> |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>9</b> | <b>2</b>  | <b>9</b> |

Source: RHP, BP Equities Research

# Ganesh Consumer Products Limited

## Balance Sheet (Rs. in millions)

| Particulars                                 | FY23         | FY24         | FY25         |
|---------------------------------------------|--------------|--------------|--------------|
| <b>ASSETS</b>                               |              |              |              |
| <b>Non-Current Assets</b>                   |              |              |              |
| (a) Property, plant and equipment           | 1,542        | 1,344        | 1,255        |
| (b) Right of use assets                     | 179          | 136          | 409          |
| (c) Capital work in progress                | 45           | 208          | 37           |
| (d) Intangible assets                       | 5            | 28           | 21           |
| (e) Deferred tax assets (net)               | 1            | 11           | 15           |
| (f) Financial assets                        |              |              |              |
| (i) Other financial asset                   | 90           | 90           | 91           |
| (g) Non-current tax asset                   | 20           | 20           | 22           |
| (h) Other non-current assets                | 15           | 20           | 75           |
| <b>Total Non Current assets (A)</b>         | <b>1,896</b> | <b>1,855</b> | <b>1,925</b> |
| <b>Current assets</b>                       |              |              |              |
| (a) Inventories                             | 1,003        | 624          | 806          |
| (b) Financial assets                        |              |              |              |
| (i) Investments                             | 30           | -            | -            |
| (ii) Loans                                  | 263          | 263          | 263          |
| (iii) Trade receivables                     | 104          | 68           | 91           |
| (iv) Cash and cash equivalents              | 9            | 2            | 9            |
| (v) Bank balances other than (iv) above     | 4            | 4            | 4            |
| (vi) Other financial asset                  | 58           | 91           | 126          |
| (c) Current tax assets (net)                | -            | 1            | -            |
| (d) Other current assets                    | 66           | 178          | 194          |
| <b>Total Current Assets (B)</b>             | <b>1,537</b> | <b>1,231</b> | <b>1,492</b> |
| <b>TOTAL ASSETS (A+B)</b>                   | <b>3,433</b> | <b>3,086</b> | <b>3,417</b> |
| <b>EQUITY AND LIABILITIES</b>               |              |              |              |
| <b>Equity</b>                               |              |              |              |
| (a) Equity share capital                    | 364          | 364          | 364          |
| (b) Other equity                            | 1,680        | 1,850        | 1,905        |
| <b>TOTAL - EQUITY (C)</b>                   | <b>2,043</b> | <b>2,214</b> | <b>2,268</b> |
| <b>Liabilities</b>                          |              |              |              |
| <b>Non-current Liabilities</b>              |              |              |              |
| (a) Financial liabilities                   |              |              |              |
| (i) Borrowings                              | -            | -            | -            |
| (ii) Lease liabilities                      | 160          | 113          | 185          |
| (iii) Other Financial Liabilities           | 1            | 0            | 1            |
| Non-current Tax Liabilities                 | 7            | 8            | 8            |
| <b>Total Non-Current Liabilities (D)</b>    | <b>168</b>   | <b>121</b>   | <b>193</b>   |
| <b>Current liabilities</b>                  |              |              |              |
| (a) Financial liabilities                   |              |              |              |
| (i) Borrowings                              | 861          | 383          | 500          |
| (ii) Lease liabilities                      | 23           | 27           | 37           |
| (iii) Trade payables                        | 237          | 275          | 344          |
| (iv) Other financial liabilities            | 53           | 19           | 16           |
| (b) Contract liabilities                    | 16           | 22           | 21           |
| (c) Other current liabilities               | 23           | 17           | 15           |
| (d) Provisions                              | 8            | 9            | 10           |
| (e) Current tax liability (Net)             | 1            | -            | 12           |
| <b>Total Current Liabilities (E)</b>        | <b>1,222</b> | <b>752</b>   | <b>956</b>   |
| <b>Total Equity and Liabilities (C+D+E)</b> | <b>3,433</b> | <b>3,086</b> | <b>3,417</b> |

Source: RHP, BP Equities Research

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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