

Manorama Industries

14 August 2026

Operator: Good day and welcome to the Manorama Industries Ltd. Q1 FY27 Earnings Conference Call. As a reminder, all participant lines 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 '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Hiral Gania from EY LLP. Thank you, and over to you, sir.

Hiral Gania – EY LLP: Thank you, Fada. Good afternoon, everyone. On behalf of Manorama Industries Ltd., I welcome you all to the company's Q1 FY27 conference call to discuss the performance of the company and answer your questions. We have with us the management team comprising Mr. Ashish Saraf, Chairman and Managing Director; Mr. Ashok Jain, Director and CFO; Mr. Pankaj Rath, DGM, Accounts and Finance; Ms. Ekta Soni, {? ABP ?} Investor Relations; and Mr. Deepak Sharma, Company Secretary and Compliance Officer.

Before we proceed with this call, I would like to draw your attention to the fact that today's discussion may contain forward-looking statements that are subject to various risks, uncertainties, and other factors that will be beyond management's control. We kindly request you to bear in mind that there might be uncertainties while interpreting these statements. Please note that this conference is being recorded. We would now like to start the session with opening remarks from the management team. Afterwards, we will open the floor for an interactive Q&A session. I would now hand over the conference call to Ashish for his opening remarks. Thank you, and over to you, sir.

Ashish Saraf – Chairman & Managing Director: Thank you, Hiral. Good afternoon, everyone, and thank you for joining the Manorama Industries Ltd. Q1 FY27 Earnings Conference Call.

We appreciate the continued trust and encouragement of our investors, analysts, and stakeholders. As we continue to strengthen our market position and expand our global presence, we remain focused on executing our long-term strategy, driving innovation, and delivering consistent, sustainable value creation for all our stakeholders.

We have entered FY27 with strong conviction and momentum, delivering 39.5% year-on-year revenue growth in Q1 FY27 and crossing the 4,000 million rupees quarterly revenue and EBITDA milestone for the first time. Our profitability grew by 67.6% year-on-year, reflecting sustained demand across key end-use industries, deeper customer relationships, and the increasing contribution of our value-added specialty fats and butters portfolio.

These results underscore the strength of our integrated business model, robust sourcing network, and our ability to capitalize on the expanding opportunities in the global specialty fats market. During the quarter, we achieved several strategic milestones that further strengthen our long-term growth platform. We expanded our sourcing footprint in West Africa through the incorporation of Manorama Savannah Agro-Chat Sarl in Chad, our wholly owned subsidiary. In addition, we acquired approximately 10 hectares, or 24 acres, of land in Burkina Faso for a shea nut and mango nut processing facility, with regulatory approvals currently in process. These initiatives enhance sourcing security, traceability, supply chain resilience, and proximity to key customers while

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reinforcing our leadership across the shea value chain.

Innovation remains at the core of our growth strategy. Our MILCOA Research and Development Center, recognized by the Department of Scientific and Industrial Research, DSIR, Government of India, continues to drive product innovation and strengthen our competitive advantage. Beyond product development, our R&D capabilities are playing a pivotal role in shaping our integration strategy as we advance both backward and forward integration initiatives.

The upcoming seed processing and extraction facilities in Raipur and Burkina Faso, together with our exploration of downstream value-added opportunities, are expected to enhance value capture, improve margins, and drive sustainable growth across the value chain. The successful completion of our Qualified Institutional Placement, QIP, marks another important milestone, strengthening our balance sheet and providing the financial flexibility to accelerate growth across manufacturing, sourcing, and high-value-added segments. These investments align with our vision of building a globally integrated specialty ingredients platform with a scalable and resilient supply chain.

Looking ahead, we remain highly confident in the long-term prospects of our business. With an expanding portfolio of specialty ingredients, growing customer partnerships, an increasing presence in cocoa butter alternatives, and continued investment across sourcing, processing, innovation, and manufacturing, we are well-positioned to deliver profitable growth and strengthen our global market presence. Business is business; business has risks, but Manorama navigates them and has built a robust model, and we look forward to building it further. We look forward to creating sustainable, long-term value for all our stakeholders.

With that, I will now hand over the call to our CFO and Director, Mr. Ashok Jain, to take you through the financial and operational highlights for the quarter. Thank you.

Ashok Jain – Director & CFO: Thank you, Ashish, and good afternoon, everyone. Let me now take you through our financial performance for Q1 FY27.

We delivered a strong quarter, with revenue increasing by 39.5% year-on-year to 404 crores, driven by a richer product mix of value-added offerings and higher utilization of our expanded fractionation capacity. Our export-to-domestic revenue mix stood at 60:40, reflecting the continued strength of our global customer base alongside healthy domestic demand.

EBITDA grew by 42.2% year-on-year to 106 crores, while EBITDA margin expanded by 49 basis points to 26.3%, supported by disciplined cost management, operational efficiencies, and operating leverage. Profit after tax increased by 67.6% year-on-year to 79 crore rupees, with profit after tax margin expanding by 326 basis points to 19.5%. This strong improvement in profitability reflects our continued focus on optimizing product mix, enhancing capacity utilization, and driving efficiencies across operations.

These results demonstrate the resilience and scalability of our business model, highlighting our ability to deliver robust growth and profitability while executing strategic expansion initiatives and managing the seasonal dynamics of our industry. We remain disciplined in our approach to capital allocation for ongoing strategic investments across India and Africa, which are carefully aligned with our long-term vision of building a globally integrated specialty fats platform.

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These investments will strengthen our sourcing and manufacturing capabilities, expand our global footprint, and further reinforce our leadership position in the rapidly growing cocoa butter equivalent and specialty fats and butters market. Through these initiatives, we are creating a stronger foundation for sustainable growth, enhanced competitiveness, and long-term value creation for our stakeholders.

That concludes my remarks. We will now begin the question-and-answer session.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press '*' and '1' on their touchtone telephone. If you wish to remove yourself from the question queue, you may press '*' and '2'. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Kumar Saumya from Ambit Capital. Please proceed.

Kumar Saumya – Ambit Capital: Good afternoon. Firstly, that was a very commendable performance in a volatile macro environment. I have a couple of questions. Firstly, regarding the incremental capacity of 25,000 tonnes expected to come from the debottlenecking activity, when should we expect that to come online?

Management: Thank you, Kumar, for the question. As we have previously communicated, we have undertaken debottlenecking to enhance fractionation capacity. We have already operationalized a portion of our additional capacity of 7,500, and the balance is intended to be implemented during FY27, around Q3 of this financial year, subject to operational timelines.

Kumar Saumya – Ambit Capital: Okay. And when is the incremental greenfield capacity expected to come in the next financial year?

Management: Is this regarding our new capex program?

Kumar Saumya – Ambit Capital: Yes.

Management: We have made meaningful progress on our capex program. Solvent Fractionation 3 and our refinery are being targeted for commissioning around Q3 FY28. We have also bought land in Burkina Faso, which is approximately 10 hectares, or 24 acres, and regulatory approvals are awaited. We are making meaningful progress in terms of our capex as well.

Kumar Saumya – Ambit Capital: Okay. Regarding the downstream opportunities that Ashish mentioned in the opening remarks, could you provide some details on the downstream opportunities we are currently exploring?

Management: Sorry, can you repeat your question, please?

Kumar Saumya – Ambit Capital: Ashish, in his initial remarks, mentioned the downstream opportunities in the product value chain that you are currently exploring. Could you provide some details on what those are?

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Management: Yes. One of the expansions we are currently undertaking involves CBE, or cocoa butter alternative products, which will allow us to make a specialty value-added product from our existing raw materials. We are also using an inter-esterification process through which we can make a value-added product based on our co-product or by-product, such as olein and other specialty fats and butters.

Our R&D team is working continuously on these areas, making more and more value-added products from our existing product portfolio. We are also setting up the technology for the {? CBA ?} plant, which will help us bring more and more value addition to our product line.

Kumar Saumya – Ambit Capital: Understood. Regarding the export share of revenue, what was it in the same quarter last year, Q1 FY26?

Management: The range was around 55% to 60%, and it is approximately in the range of 50% to 60% of export capital.

Kumar Saumya – Ambit Capital: Okay. Lastly, regarding progress in Africa, what is the development there, and when should we expect to see the ramp-up in the coming quarters? Any color on that?

Management: Kumar, we started trial production in the last quarter. We sent some samples there because it is a new facility. Production has to be transferred from our current facility in India, and we are also planning to move that scale gradually. As we move from quarter to quarter, we expect a good amount of production to be manufactured there. That will ramp up gradually over the quarters.

Kumar Saumya – Ambit Capital: Okay. Lastly, could you provide some indication regarding the pricing environment? How are you seeing the current pricing environment, given that most products are seeing significant volatility? How is your product value chain behaving, and could you provide some color on that?

Management: Kumar, our products are more value-added products, formulated and based on certain specifications, as they are the base of confectionery, chocolate, and cosmetics. Our pricing model has largely remained stable and is also in line with our costing model. Regarding the macroeconomic environment, our pricing has been largely stable compared with that.

Kumar Saumya – Ambit Capital: No, thank you. That will be all. I am done with my questions.

Management: Thank you.

Operator: Thank you. The next question is from the line of Vikas Pandya from Shrunja Asset Managers Private Limited. Please proceed.

Vikas Pandya – Shrunja Asset Managers: Good afternoon. Am I audible?

Management: Yes.

Vikas Pandya – Shrunja Asset Managers: Great set of numbers. Thank you for the opportunity. I had a few questions. Regarding realization per tonne of CB and stearin, could you provide that breakup, if it is available?

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Management: We generally do not share that kind of per-tonne realization because our products are not a single SKU. There are different products with different formulations and specifications for different customers. However, we can share directionally that pricing has been largely stable for our value-added products.

Vikas Pandya – Shrunja Asset Managers: No problem. Regarding the 71.4% contribution of CB and stearin, what is the breakup of CB within that?

Management: CB contributes 71%, and the balance is the stearin product. Both are {? essentially ?} the same.

Vikas Pandya – Shrunja Asset Managers: Could you please repeat how much was CBE?

Management: Sorry?

Vikas Pandya – Shrunja Asset Managers: How much was CBE within that 71%?

Management: 30%. Three-zero, thirty.

Vikas Pandya – Shrunja Asset Managers: Understood. Could you help us understand the new subsidiary established in Chad? What exactly will it contribute to the company? Will it result in margin expansion, or will it help with backward integration? Please help me understand.

Management: All our international subsidiaries in Africa, including the recently incorporated subsidiary in Chad, are primarily vehicles through which we source our raw materials and butters from the African region. Chad is essentially a vehicle for increasing the value chain there. It is one of the vehicles through which we will source shea nuts and butter.

Operator: As there is no response, I am taking the next question from the line of Rishabh from De-meter Advisors Private Limited. Please proceed.

Rishabh – De-meter Advisors: My first query is regarding your contracts. Could you roughly give us an idea of when you will be renewing some of the contracts? You have a 9- to 12-month timeframe, and I want to understand when the renewals will happen and what percentage is coming up for renewal this year or in the coming quarters.

Management: Our contracts are for 9 to 12 months, but they are not specific to a particular quarter or month. It is an ongoing process. As and when a contract expires, it gets renewed. Some contracts could be for Q1, while some contracts could be for Q2, Q3, or Q4. It is generally an ongoing process with the customer, so we cannot quantify it in terms of how many contracts will be renewed in a particular quarter. It is an ongoing process for us as well.

Rishabh – De-meter Advisors: Secondly, what were the volumes in metric tonnes of your value-added products, namely the general CBEs and stearin, this quarter?

Management: We do not share the utilization volume specifically for our value-added products on a quarterly basis. We could guide you on an annual basis, as we have done in the past four quarters. However, what we can share with you is that we achieved utilization of around 80% of our capacity this quarter.

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Rishabh – De-meter Advisors: Is there any guidance for the full-year utilization of your fractionation capacity?

Management: We will also be undertaking the debottlenecking of our second plant, which will be around {? 250 ?}. We expect utilization to be around 80%–85% for the full year.

Rishabh – De-meter Advisors: Understood. I have a question regarding your Burkina Faso plant, given the reduced {? freight on ?}. What quantified impact will this have on gross profit?

Management: This should certainly help because of the investment we have envisaged, particularly for the Burkina Faso plant. We expect a payback period of around 3 years once the plant is operational in Burkina Faso. It should have a meaningful impact on our bottom line and should also improve our efficiency. This is what we can guide you on at this stage.

Rishabh – De-meter Advisors: You are indicating a 3-year payback on approximately 120 crore capex. Is that a fair way to describe it?

Management: Yes.

Rishabh – De-meter Advisors: Understood. I also want to understand the risks in places such as Nigeria, where there is a total export ban on shea nuts. Could you describe these risks and how you will mitigate them?

Management: Nigeria is one of the 22 countries in Africa where shea nuts are grown and available. As you have seen, we have a presence across multiple regions in Africa. We operate our own wholly owned subsidiaries in 10 different regions in Africa, and we are also going to set up our own facility in Burkina Faso.

We are bringing seeds from there, and going forward we will also import butter from there. We also import butter from those regions. Nigeria is one country that has imposed a temporary ban. That does not materially impact our sourcing strategy because our presence across that geography is extensive and substantial in the African region.

Rishabh – De-meter Advisors: Understood. One last question, if I may. Could you describe your CBE–A products? I would like to understand what you are planning to launch that is different from the current CBE and stearin products.

Management: We import a lot of butter from shea in the African region. CBE–A is a product and technology that is an alternative to cocoa butter. Through technology in India at an {? ISOS ?} plant, we will convert some of the liquid oil fractions into a hard fraction using enzymes. This will convert our liquid fraction into a solid fraction.

That will help us enter the cocoa butter alternative segment, which will be called ECBE, or enzymatic cocoa butter equivalent. The applications of cocoa butter alternatives, including ECBE, are the same in the food segment, in chocolate, confectionery, and the Horeca market wherever there is a food application.

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This is an additional technology that represents a forward integration model. It will help us use our existing raw materials, and we could also use other raw materials apart from the nuts that we currently import or buy locally from the domestic market.

Rishabh – De-meter Advisors: Understood. Thank you so much for taking my questions.

Operator: Thank you. The next question is from the line of Roshan Nair from Antique Stock Broking. Please proceed.

Roshan Nair – Antique Stock Broking: Thank you for the opportunity, and congratulations on a good set of numbers. My question is regarding the Brazil partnership, where you have started your first commercial production batch. How much time would it take for commercial production to fully ramp up? How meaningful can Brazil become over the next 2 to 3 years in terms of revenue and profitability?

Management: We started trial production in the last quarter of this year, and we are slowly dispatching our production to the Brazilian entity for processing. It will take some time because a significant amount of production has to come from the Indian plant as well. We see a good demand scenario for those products in Brazil. It should slowly pick up, and in another 2, 3, or 4 quarters we expect it to gradually ramp up on a quarter-on-quarter basis.

Roshan Nair – Antique Stock Broking: What would be the maximum revenue that you can generate from the Brazilian unit?

Management: We can guide you on the specific contribution from Brazil once we have started operations meaningfully there. Currently, we are doing trial production, but directionally we can guide you that we see a very good opportunity in that market through this unit.

Roshan Nair – Antique Stock Broking: Understood. My next question is regarding employee costs, which have come down by around 20% compared with last quarter. In the last quarter, I recall that there were some initial setup costs for subsidiaries that resulted in higher employee and other expenses. Is it fair to assume that this will be the run rate going forward, or is there anything else that we should consider?

Management: Last quarter, there was a provision related to performance incentives. That was largely the reason for the higher employee cost. Currently, the run rate we can assume should be around 14 to 15 crores per quarter going forward, which should generally remain at this level.

Roshan Nair – Antique Stock Broking: Understood. One last question from my side. Other expenses have increased by 16%. Is there anything you would like to specifically highlight, or is it primarily due to higher freight and container costs?

Management: Yes, that is correct. It is primarily due to that.

Roshan Nair – Antique Stock Broking: Understood. Thank you for the opportunity.

Operator: Thank you. The next question is from the line of Sandeep Abhangre from LKP Securities. Please proceed.

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Sandeep Abhangre – LKP Securities: Congratulations on a good set of numbers, and thank you for taking my question. I have a question regarding gross margin. Gross margins have declined this quarter. Firstly, what was the reason for this? How was the sourcing of shea nuts and butter for FY27? Is it entirely completed, or will it be completed during H1 FY27? How is the pricing scenario for raw material sourcing?

Management: Shea nut procurement was largely completed in the last quarter. Currently, we have completed procurement of our Indian domestic seeds, including sal, mango, and other exotic seeds. We buy shea nuts and butter from different countries in the African region. We also buy sal and mango from different parts of India.

From a pricing point of view, pricing is broadly the same. However, whatever inflation or increase is there, we have to absorb it in the raw material cost. That is how we build our costing model and arrive at our finished goods prices accordingly.

Our gross margin broadly moves in the range of around 45% to 50%. A lot of the time, it depends on freight cost timing as well as our by-product realization, which is the DOC cake. It is best assessed together with EBITDA margin rather than in isolation as gross profit margin.

Sandeep Abhangre – LKP Securities: Regarding raw material cost as a percentage of sales, generally it is higher in H1, somewhere around 75% to 80%, and comparatively lower in H2. On an overall basis for FY27, what kind of raw material cost can we expect for the year?

Management: It has always been around 50%. We have not seen it at around 75% to 80% during the first half; according to us, it has always been approximately 50%.

Sandeep Abhangre – LKP Securities: That is all from my side. Thank you for answering the questions.

Operator: Thank you. The next question is from the line of Madhu Agarwal from Agarwal Family Office. Please proceed.

Madhu Agarwal – Agarwal Family Office: Of the 39% growth we have seen this quarter, would you be able to break down how much was volume growth, how much was due to foreign exchange, and how much was ultimately realization?

Management: {? 539% ?} growth is year-on-year growth, comparing the same quarter of last year with this quarter, and it is largely volume-led. We can say that 85% of the year-on-year growth has approximately come from volume growth.

Madhu Agarwal – Agarwal Family Office: Okay, very good. My next question is regarding expansion capacity. Could you please clarify what incremental capacity we are expecting from debottlenecking in this financial year?

Management: We are expecting approximately 4,500 tonnes of additional capacity from debottlenecking in this financial year. Our current capacity of 47,500 tonnes will increase to approximately 52,000 tonnes.

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Madhu Agarwal – Agarwal Family Office: In terms of the margins we have seen this quarter, would you say they are sustainable? Was this an exceptionally good quarter?

Management: Sorry, can you repeat your question, please?

Madhu Agarwal – Agarwal Family Office: Regarding the margins we saw in Q1, would you say they are sustainable? Should we expect or would you guide us toward similar margins going forward, or was this an exceptionally good quarter?

Management: Margins can see modest quarter-to-quarter movement depending on the mix and one-off items, but the underlying trend is expected to remain broadly stable within the current range. At the same time, business is business, and business also has risks. We believe the current range should hold in broad terms.

Madhu Agarwal – Agarwal Family Office: Understood. That is all from my side.

Operator: Thank you. The next question is from the line of Akhil from 361 Capital. Please go ahead.

Akhil – 361 Capital: Thank you for the opportunity, and many congratulations on a good set of numbers. My first question is regarding the subsidiary business. If I look at consolidated minus standalone, our revenues are close to zero, whereas losses have declined sequentially from 8 crores to 3 crores this quarter. In Q4, subsidiary revenue was probably around 8 crores and losses were 8 crores. Could you help tie these two things together?

Management: Consolidated turnover, if we discuss it, has a difference of around 4 to 5 lakhs compared with standalone for this quarter.

Akhil – 361 Capital: No, my question is that revenue for this quarter is probably only 4 to 5 lakhs, while losses have reduced dramatically from 8 crores in Q4 FY26 to 3 crores. Why has that been the case?

Management: As we explained last time, there was a one-time cost incurred in some of our subsidiaries. As we explained earlier, that cost was the reason for the losses last time. This time, the cost that has appeared is on the basis of normal operating costs for our different subsidiaries.

Akhil – 361 Capital: Is it fair to assume that subsidiary losses will now reduce as we move forward?

Management: The overseas entities are at different stages of maturity, and the West African entities are primarily procurement vehicles with no standalone revenues. Therefore, consolidation carries some operating costs without corresponding top line. Brazil is also in a build-out phase as it establishes commercial volumes.

These are deliberate upfront investments in long-term capabilities. As these entities scale, we expect their drag on consolidated margins to reduce directionally and, over time, for them to become contributors.

Akhil – 361 Capital: I have two more questions. One is regarding other income, which has increased significantly. Is this related to the QIP money, and how should one consider it on a full-year basis?

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Operator: Akhil, sorry to interrupt, but can you please stay in the quiet room? There is a lot of disturbance coming from your side.

Akhil – 361 Capital: Sure. Is it better?

Operator: Yes, continue.

Akhil – 361 Capital: My second question was regarding other income. We reported approximately 16 crores for this quarter. How should one consider it on a full-year basis? My third question is whether you can provide a ballpark capex guidance for this year and next year.

Management: Ballpark capex guidance for this year should be around 225–250 crores of investment in FY27. Regarding other income, it is largely due to fixed deposit and other income. Other income is largely from FDR income and foreign exchange gains. It is not related to the QIP amount, as you mentioned, because we received that amount during this quarter.

Akhil – 361 Capital: It should normalize, then.

Management: Yes.

Akhil – 361 Capital: Great. That is all from my side, and best of luck for the coming quarters.

Management: Thank you so much.

Operator: Thank you. The next question is from the line of Ishita from Sapphire Capital. Please go ahead.

Ishita – Sapphire Capital: Am I audible?

Management: Yes.

Ishita – Sapphire Capital: I wanted to understand the capex of around 225 to 250 crores that you just mentioned. What will we use it for? How much capex will be used for debottlenecking, and where will the rest of the amount be used?

Management: This amount of approximately 225–250 crores will be used for our proposed new capex, which includes expanding our solvent fractionation capacity, refinery capacity, and the backward integration project in Burkina Faso. The debottlenecking capacity will involve a cost of approximately 5 to 6 crores. Apart from that, all the money will be invested in our new proposed capex plan.

Ishita – Sapphire Capital: As I understand it, the solvent fractionation and refinery capacity are coming up at our Indian facility, correct?

Management: Yes, they are coming up in India: the refinery and solvent fractionation facilities. The extraction and expelling capacity will be in Burkina Faso, Africa.

Ishita – Sapphire Capital: Could you bifurcate the capex? How much will be used for the Burkina Faso facility and how much for the Indian facility?

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Management: The Burkina Faso facility will require approximately 120–130 crores, and the balance will be for the Indian projects out of the 260 crores proposed capex plan.

Ishita – Sapphire Capital: Both facilities will be operational by Q3 FY28, correct?

Management: Yes, that is the plan for our capex program.

Ishita – Sapphire Capital: My next question is regarding revenue bifurcation between shea butter and sal-mango seed. Is there any such bifurcation?

Management: The revenue contribution from each raw material is significant. If you want a bifurcation, it would be around 50%–60% from imported seeds, and around 50% from domestic seeds and butter. We import butter and seeds from different parts of the world, and we also source some seeds from the domestic market. The bifurcation is broadly in the range of 50%–60%.

Ishita – Sapphire Capital: My last question is whether we are on track to achieve our guidance for this year. You had earlier provided guidance of around 1,600–1,800 crores.

Management: When did we provide this guidance?

Ishita – Sapphire Capital: At one of the conferences, the Ashika conference, way back in November. I wanted to check whether we are still on track for that.

Management: We provided guidance on the utilization of our facilities. In terms of numbers, you can extract the numbers or model them according to your calculations. The guidance we gave was based on utilization, which should be around 80% of utilization on 52,000 tonnes of plant capacity for this year.

Ishita – Sapphire Capital: Understood. Thank you so much.

Management: Thank you.

Operator: Thank you. The next question is from the line of Utkarsh Sharan from SMC Private Wealth. Please go ahead.

Utkarsh Sharan – SMC Private Wealth: Am I audible?

Management: Yes.

Utkarsh Sharan – SMC Private Wealth: I wanted to ask about the recent development that you posted the day before yesterday. In that context, has the supplier accepted the liability or expressed a willingness to pay the amount for which you created a debit note? Can you also confirm whether the company will continue sourcing from the same supplier, or whether we are diversifying the supplier base?

Management: We already have a very diversified supplier base for this material. We import from a couple of countries and from different suppliers. This is one supplier from that region, and we are not currently dependent on that particular manufacturer and supplier.

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Utkarsh Sharan – SMC Private Wealth: Regarding the recovery, what amount or percentage are we confident that we will be able to recover from the supplier?

Management: As you have seen in the exchange notification, we are in the process. We have already raised our debit note and are claiming the full amount from the manufacturer and supplier for that product. We are in the process, and in due course we are confident that we should be able to fully recover the amount from that manufacturer and supplier. We will update you from time to time regarding the progress, as required under SEBI regulations.

Utkarsh Sharan – SMC Private Wealth: Thank you. Secondly, are we dependent on any particular shipping route for imports or exports of raw materials or finished goods? Given the geopolitical disruptions, if we are dependent on a particular route, how will we mitigate the impact?

Management: We operate across multiple geographies. We supply to more than 30 countries worldwide, and there are different routes for different countries. We import a significant amount of material from Africa, Malaysia, Indonesia, and a couple of other countries as well.

Therefore, our diversification is very high, both in terms of exports and in terms of sourcing raw materials. In that respect, it should not materially impact our sourcing strategies for any of our raw materials.

Utkarsh Sharan – SMC Private Wealth: Thank you so much. All the best.

Management: Thank you.

Operator: Thank you. I request all participants to restrict their questions to two questions per participant. For more questions, please rejoin the queue. The next question is from the line of Divyansh Thakur from Finpess Capital. Please go ahead. Mr. Thakur, are you there?

Divyansh Thakur – Finpess Capital: Am I audible?

Management: Yes.

Divyansh Thakur – Finpess Capital: First of all, congratulations on a great set of numbers. I can see in the presentation uploaded on the exchanges yesterday that we had set utilization of around 85% to 90% for the expanded capacity, including the additional 4,500 tonnes from debottlenecking and the existing 47,500 tonnes. We are now seeing guidance of around 80%. Could you clarify this?

Management: The execution target for the company is at that level, but for our stakeholders, we can take 80%. Any improvement will be shown and shared with our stakeholders.

Divyansh Thakur – Finpess Capital: Thank you. Are we confident of maintaining the same quarterly or year-on-year growth? How is the external environment shaping up? There are several geopolitical tensions, as well as export bans. Do we see this as an issue across Africa, or is it specific to one country?

Management: To repeat what we have been saying, we have been seeing these macroeconomic and geopolitical tensions for a couple of quarters now. The company is part of the industry and the broader fraternity, so we cannot say that these factors will not impact us directly. There is, of

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course, an indirect impact in terms of freight, logistics, and other macroeconomic factors.

However, as a company, we always navigate and balance these factors in whatever ways are possible, including sourcing, managing production, and keeping our checks and internal processes in line. This should help us meet our goals and targets.

Akshay – AK Investment: Regarding the last question, if I heard it correctly, you mentioned that the new capex of 460 crores is expected to come online in Q3 of the next financial year, FY28. Can I understand that it will start contributing to our top line from Q3 onwards?

Management: That facility is tentatively expected to be commissioned around that quarter, so it should start contributing gradually from that period. However, the full impact will be more visible in FY29 as we ramp up, because these are technical plants and utilization takes place gradually. The impact should be more visible in FY29.

Akshay – AK Investment: Thank you for answering my question. All the best for the upcoming quarters.

Operator: Thank you. The next question is from the line of Deepali Bansal from Ventura Enterprises. Please proceed.

Deepali Bansal – Ventura Enterprises: Good afternoon, everyone. My first question is regarding how much capex we have already spent this quarter out of the 225–250 crores planned.

Management: For this quarter, we have spent approximately 20 crores through Manorama and its subsidiaries. To date, we have spent around 70 crores out of the total proposed capex plan, and we intend to spend approximately 220 crores more on capex during this financial year.

Deepali Bansal – Ventura Enterprises: Could you tell us how much we spent to purchase the 24-acre plot for the backward integration plan?

Management: We would not like to specify the amount for each individual part. We have already communicated that we are going to spend around 120 crores toward this part of the project. However, as a company, we are not comfortable sharing all the financials for each of our investments. Thank you.

Deepali Bansal – Ventura Enterprises: Do we have any numbers regarding Dekel Corporation, such as revenue or margins?

Management: We have not yet started operations, and currently we do not have any specific numbers to share regarding revenue from the Dekel entity. One thing we need to understand is that Dekel has a processing facility, while production will come from the Manorama Industries Ltd. plant in India. Therefore, the revenue will be more visible from the Indian plant, while the Dekel facility is a processing facility for material supplied by Manorama Industries Ltd., India.

Deepali Bansal – Ventura Enterprises: Thank you. That is all from my end.

Operator: Thank you. The next question is from the line of Akshay from AK Investment. Please proceed.

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Akshay – AK Investment: Thank you for the opportunity, and congratulations on the great set of numbers. My question is regarding capex. As you highlighted, 460 crores of capex will be spent by Q3 FY28, and the contribution will start gradually. Our current asset turnover is around 7 times. Can we expect the same 7 times asset turnover going forward in FY29 and FY30, when the new facility is fully ramped up?

Management: We always intend to achieve a higher asset turnover. However, it is not possible for us to guide today whether it will be 7 times, 8 times, or 9 times. Based on our historical capex investments, the company will aim to perform in that direction going forward.

We are very positive that our new investments under the proposed capex plan should provide good, steady, and healthy growth over our near-term vision of 2 to 3 to 5 years. We expect to be at that level by FY30 or FY31.

Akshay – AK Investment: My second question is regarding full-year top-line expectations. Do we have any internal expectation in percentage terms, rather than an absolute number? Do we have a range for growth? Also, can we expect the same EBITDA margin to continue for the next 3 quarters of FY27?

Management: Directionally, as of today, we can guide you that we have started FY27 on a very healthy note, as you have seen in the performance published yesterday. Q1 performance has provided a good base and established a good run rate for the year. We also see further scope for improvement as the year progresses, supported by capacity ramp-up, the planned debottlenecking, and improved utilization of our plant. We are therefore very confident of delivering healthy top-line growth in FY27 as well.

Akshay – AK Investment: Regarding the 500 MTPA capacity that we are debottlenecking, is the 85% utilization guidance based on the improved capacity for the full year?

Management: Yes, you can consider 80%–85%. The management's internal target is around that execution level, but as a stakeholder, you should take around 80% utilization. Any improvement toward 85% or 90% will be shown and communicated to our shareholders accordingly.

Akshay – AK Investment: Thank you, and all the best.

Operator: Thank you. I request all participants to restrict their questions to one question per participant. For more questions, please rejoin the queue. The next question is from the line of Adhir Jain from AJ Capital. Please proceed.

Adhir Jain – AJ Capital: Good afternoon. I hope I am audible. I am following up on the question regarding maintaining the asset turnover that you have achieved in FY26. As this capex of approximately 460 crores comes on board by FY28, or in the second half of FY29 or the first half of FY29, apart from the revenue, my second question is regarding working capital.

If I look at Manorama's past history, if this 460 crores of capex produces a 7-times asset turnover, it will also require approximately 900 to 1,000 crores of working capital, according to my calculation. Could you guide us on how you see the additional working capital requirement over the next 2 years? Are there any plans to raise funds, or how do you intend to manage it? Some guidance or

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indication would be helpful.

Management: There is a requirement of around 50% in terms of raw materials for our business. Regarding the asset turnover you mentioned, we are well aligned with our existing bankers. Recently, we also successfully completed our QIP fundraising of around 500 crores. We also have approximately 150 crores in the form of FDRs with the company, excluding the QIP component. Apart from that, we have sanctioned bank limits with us, with State Bank of India as our lead banker.

Therefore, we are well aligned with our near-term vision for this capex plan in terms of working capital requirements.

Adhir Jain – AJ Capital: Will any additional working capital required over the next 2 years be met through debt rather than equity dilution? Is that a fair understanding?

Management: We have already undertaken the equity dilution in the last quarter and raised 500 crores for this purpose. Therefore, we do not need another equity dilution in a quarter or two for our capex. That is not part of the plan.

Adhir Jain – AJ Capital: Thank you, and all the best. It is a great set of numbers. Please continue delivering what you have delivered over the past 5 years.

Management: Thank you so much.

Operator: Thank you. The next question is from the line of Rohan Mehta from {? Ficom ?} Family Office. Please proceed.

Rohan Mehta – {? Ficom ?} Family Office: Am I audible?

Operator: Yes.

Rohan Mehta – {? Ficom ?} Family Office: Thank you for the opportunity. Regarding other income of approximately 16 crores, could you break down how much was from foreign exchange gains? Regarding your hedging policy, approximately 60% was hedged last quarter. I am trying to understand the rationale for not moving toward a fully hedged position.

Management: Historically, our business policy has been to hedge 50%–60% of our net exposure because we undertake significant imports and exports and are also a naturally hedged company. As a policy, we have historically hedged 50%–60% of the net exposure that remains, and this has been in line with management's requirements.

Of the 16 crores of other income, 13 crores was a foreign exchange gain, and the remaining 3 crores was other income in the form of FDR income.

Rohan Mehta – {? Ficom ?} Family Office: Regarding the debottlenecking, I wanted to understand—

Operator: Sorry to interrupt, Mr. Mehta, but can you please rejoin the queue?

Rohan Mehta – {? Ficom ?} Family Office: Thank you.

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Operator: Thank you. The next question is from the line of Omkar from Shree Investment. Please proceed.

Omkar – Shree Investment: My question is regarding the margin trajectory. With the additional capacity coming online, including the new capex, and with the company becoming larger, how do you see operating leverage developing over the next 2 to 3 years? I would also like to understand the improvement on the sourcing front.

Management: It is difficult for us to guide today on what will happen over the next 2 to 3 years. Directionally, we can say that we are in a good position, and operating leverage should come into the picture as we expand our capacities further and improve our product mix.

Historically, over the last 3 to 4 years, the company has performed well. There have been 20–25 consistent quarters in which the company has delivered good performance in terms of top line as well as margins. We have always guided our stakeholders that business is business and business always carries risks. However, we are working continuously to optimize people efficiency, production efficiency, the value-added mix, and all other aspects of the business.

We remain confident of delivering a good level of production going forward, and this should improve the company's efficiencies as well. From a margin point of view, whatever the company has achieved historically should be considered directionally as the margin trend. Any movements will be shared with you on a quarter-to-quarter basis going forward.

Omkar – Shree Investment: I am not asking for specific numbers. Directionally, with all the factors you mentioned, should margins increase from here? I am not asking on a quarterly basis, but on a yearly or 2-year basis, should the direction be upward?

Management: Regarding a more sustainable margin, at this moment we can guide you only to that extent. There are multiple levers that should move the company on an improving trajectory. However, it would be difficult for us to guide you on anything more specific today. Once we reach that stage, we will guide you accordingly.

Omkar – Shree Investment: Thank you.

Management: Thank you.

Operator: Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand the conference over to the management for closing comments.

Management: We are steadily advancing our aspiration of becoming the partner of choice for the world's leading food, confectionery, and cosmetic companies through strategic investment in research and development, sourcing, manufacturing, and market expansion.

Backed by a strong balance sheet, deep sourcing capabilities, and an increasingly integrated value chain, we are well-positioned to scale our operations, enhance customer partnerships, and capture the significant opportunities emerging in the global specialty ingredients market.

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As we move forward, our commitment remains unwavering to drive sustainable growth, strengthen our global footprint, and build a resilient, innovation-led business that consistently delivers value to all stakeholders. On behalf of Manorama Industries Ltd., I thank you all for joining us on the call. We look forward to serving our stakeholders, our suppliers, our forest dwellers, our customers, and everyone connected with Manorama. Thank you.

Operator: Thank you. On behalf of Manorama Industries Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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