



Manorama Industries Limited

KHASRA No. - 2449-2610,
Parswani Road, Near
Birkoni Industrial Area,
Mahasamund (C.G.)- 493445

May 16, 2025

To,
The Manager
Listing Department
BSE Limited ("BSE")
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400 001

To,
The Manager
Listing Department
National Stock Exchange of India Limited ("NSE")
"Exchange Plaza", C/1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

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Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of Q4 & F.Y. 2025-2026 Results Earnings Conference Call held on Tuesday, May 12, 2026.

Dear Sir/Madam,

In reference to our intimation dated May 06, 2026, and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Company had organised an Earnings Conference Call with respect to Q4 & F.Y. 2025-2026 Results on Tuesday, May 12, 2026 at 01:00 P.M. (IST).

A copy of transcript of Q4 & F.Y. 2025-2026 earnings conference call is enclosed herewith and the same has also been uploaded on the Company's website at https://manoramagroup.co.in/investors-company-announcements#analyst_meet

This is for your information and records.

Thanking You,
For Manorama Industries Limited



Deepak Sharma
Company Secretary and Compliance Officer
Membership No: A48707

Corporate Office:

F-6, Anupam Nagar,
Raipur-492007, Chhattisgarh, India
E-mail: info@manoramagroup.co.in
Tel.: +91-771-2283071, 2282457
Telefax: +91-771-4056958
CIN: L15142MH2005PLC243687
GSTIN: 22AAECM3726C1Z1

Certifications:

ISO 9001, ISO 14001 & ISO 45001, Certified Company
Manufacturing & Supplying different products
Certified for RSPO, Kosher, Halal (MUI),
EcoVadis Committed badge certified & Sedex SMETA 4-Pillar Certified
A Government of India Recognized Star Export House
MSME ZED GOLD

Registered Office:

701,7th Floor, Bonanza Building,
Sahar Plaza, Complex
Andheri Kurla Road, Andheri
Mumbai-400059, Maharashtra, India
Tel. 02249743611, 02267088148
www.manoramagroup.co.in
GSTIN-27AAECM3726C1ZR



“Manorama Industries Limited
Q4 and FY '26 Earnings Conference Call”

May 12, 2026



MANAGEMENT: **MR. ASHISH SARAF – CHAIRMAN & MANAGING DIRECTOR – MANORAMA INDUSTRIES LIMITED**
MR. ASHOK JAIN – DIRECTOR & CHIEF FINANCIAL OFFICER – MANORAMA INDUSTRIES LIMITED
MR. PANKAJ RATHI – DGM ACCOUNTS & FINANCE – MANORAMA INDUSTRIES LIMITED
MRS. EKTA SONI – ASSOCIATE VICE PRESIDENT, INVESTOR RELATIONS – MANORAMA INDUSTRIES LIMITED
MR. DEEPAK SHARMA – COMPANY SECRETARY & COMPLIANCE OFFICER – MANORAMA INDUSTRIES LIMITED

MODERATOR: **MR. HIRAL KENIYA – EY LLP**

Moderator: Ladies and gentlemen, good day, and welcome to the Manorama Industries Limited Q4 and FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. I now hand the conference over to Mr. Hiral Keniya from EY. Thank you, and over to you, sir.

Hiral Keniya: Thank you, Shailendra. Good afternoon, everyone. On behalf of Manorama Industries Limited, I welcome you all to the company's Q4 and FY '26 conference call to discuss the performance of the company and to answer your questions, we have with us the management team comprising of Mr. Ashish Saraf, Chairman and Managing Director; Mr. Ashok Jain, Director and Chief Financial Officer; Mr. Pankaj Rath, DGM, Accounts and Finance; Mrs. Ekta Soni, AVP, Investor Relations; and Mr. Deepak Sharma, Company Secretary and Compliance Officer.

Before we proceed 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, which will be beyond management's control. We kindly request to bear in mind that there might be uncertainties while interpreting such 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 Ji for his opening remarks. Thank you, and over to you, sir.

Ashish Saraf: Thank you, Hiral Ji. Good afternoon, friends. On behalf of the entire Manorama Industries team, I extend a warm welcome to our Q4 and FY 2026 earnings conference call. We sincerely thank each of our investors, stakeholders, analysts for your continued trust and participation. Your deep confidence in our long-term vision is a source of great motivation for us, and we remain committed to delivering a sustained and quality value as we enter the next phase of our growth journey and as we have done in our last many years of performance.

FY 2026 has been a year of exceptional performance. Manorama Industries has delivered an exceptional performance in 2026. Despite these headwinds, we have reported a strong year-on-year revenue growth of 76.1% with stand-alone revenues reaching INR 1,358 crores. This excellence in performance is a testament to the resilience of our integrated value chain, the global relevance of our specialty fats and coco butter equivalents and the sustained and growing demand we continue to witness across the food and cosmetic sectors worldwide through our scientific and high-tech products, which are being used all over the world. We aim to maintain this momentum supported by sustained demand visibility, improved operational efficiency and enhanced manufacturing capacity. We plan to reach to every human on this earth. During FY '26, we undertook capacity upgrades to power this next phase of growth.

Our solvent fractionation plant 2 increased installed capacity by 30% from 25,000 tons per annum to 32,500 tons per annum as part of an overall debottlenecking initiative. For Solvent

fractionation plant 1 of 15,000 metric tons, a similar debottlenecking initiative will be taken in this fiscal year.

Through strategic capital expenditure commitment of approximately INR 460 crores over the next two to three years, this investment program spans setting up of a new solvent fractionation manufacturing facility for Sal, Shea, Palm, Mango and other exotic seeds and ESOS. Establishment of a new facility for cocoa butter alternatives, expansion of our refining capabilities with additional 200 tons per day refinery, commissioning of raw material processing units in Burkina Faso, West Africa.

These initiatives reflect our focus in the long-term global opportunity and our commitment to deepening our competitiveness, securing reliable long-term supply and reinforcing the foundation for sustained growth. Our financial remains healthy as of March 31, 2026. Working capital cycle improved to approximately 125 days in FY '26 compared to 151 days in FY '25.

Net cash flow from operating activities stood at INR 259 crores, ROCE of 33.6% and ROE of 40.3%. At Manorama Industries, our aim is clear to strengthen every growth lever within our integrated value chain from procurement and processing to high-tech innovation with scientific global customer partnerships based on research and deep tech development. With that, I will now hand over to our Chief Financial Officer, Mr. Ashok Jain to walk you through the financial and operational highlights for the quarter and the full year. Thank you all.

Ashok Jain:

Thank you, Ashish Sir, and good afternoon, everyone. I will take you through our financial performance for the Q4 and FY 2025-'26.

Full financial year '25-'26 financial highlights.

Manorama Industries delivered excellent financial performance in FY '25-'26 with all key metrics reflecting operational execution and business momentum:

Stand-alone revenue INR 1,357 crores, up 76.1% year-on-year driven by volume growth and improved product mix.

EBITDA INR 367.7 crores with an EBITDA margin of 27.1%, reflecting focused product mix optimization and disciplined cost management.

Profit after tax INR 233.2 crores, translating to a PAT margin of 17.2%.

Operating cash flow INR 259.4 crore.

Our performance of Q4, FY '25-'26 is as follows:

Stand-alone revenue INR 382.3 crore,

EBITDA INR 102.9 crores with a margin of 26.9%.

Profit after tax INR 59.5 crores, translating to a margin of 15.6%.

Foreign exchange position and mark-to-market:

During the quarter, due to adverse currency fluctuation, resulted in the company recognizing a mark-to-market provision of INR 17.05 crores on a stand-alone basis on forward contract entered into accordance with the as per foreign exchange hedging policy. The cumulative mark-to-market provision for the financial year stand at INR 23.3 crores. The company also recorded

foreign exchange income INR 9.47 crores during the quarter. Consequently, the net foreign exchange loss for the quarter amounted to INR 7.58 crores on a stand-alone basis.

Balance sheet and return ratios:

The company's stand-alone balance sheet continues to reflect financial strength and discipline. Net debt and equity ratio is 0.38:1 as of 31st March 2026. Return on equity 40.3% as of 31st March 2026. Return on capital employed, ROCE, 33.6% as on 31st March 2026. The Working capital days also reduced to 125 days for FY '25-'26 from 151 days in FY '24-'25, reflecting continued focus on working capital efficiency.

Capital allocation and strategic outlook:

Our ongoing capacity, debottlenecking and expansion, along with strategic capex investment across India and Africa. We are fully aligned with our long-term ambition to our global footprint and strengthen our position in the specialty fats and butter market.

We will continue to allocate capital with discipline prioritizing investment that generate high return and strengthen our competitive moat globally.

That concludes our remarks. We will open the floor for question and answers. Thank you.

Moderator:

Thank you very much, we will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on their telephone. If you wish to remove your cell from question queue, you may press star and 2. Participants are requested to use handset 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 Mr. Akash from Sahasrar Capital.

Akash:

Hello, Congrats to the team Manorama on the fantastic result. The question that I had was regarding the processing plant capex that we are doing in Burkina Faso. Like, what is the capex? What will be the capacity and how will it help us in the margin expansion?

Ekta Soni:

Hi. Thank you for the question. The Burkina Faso project, which is a backward integration, part of the project for the company's next capex plan. So, we are envisaging these expenses or capex amount of around INR 120 odd crores towards our Burkina Faso project, which should be eliminating our logistic costs, which we currently buy on the seeds perspective. Going forward, it will be on the butter perspective, which is approximately 45%-60% of the raw material.

Accordingly, we are going to save the logistic cost, freight cost on our seed import from West African countries. And also it is going to improve the efficiency and the yield format also on the butter content. So, we are very hopeful of making a sustainable margin, and it should reflect in our numbers going forward.

Moderator:

The next question is from Akhil Parekh from 360 One Capital.

Akhil Parekh:

Thanks for the opportunity and congratulations on extremely good set of numbers and one kind of standout in the result has been your working capital improvement and operating cash

flow generation, so given that we are going to go in capex mode again for next one, two years, how do we see this whole operating cash flow and free cash flow generation? And second is the working capital, is this working capital kind of sustainable for next few years or we might see some pressure basically as we move ahead. Yes, that is my first question?

Ekta Soni: The company has delivered a very strong positive operating cash flow also of approximately around INR 260 crores during the year, which is actually a significant achievement and an important milestone for the business. Yes, we are going to spend the capex of around INR460 crores over the next two to three years, but that will be held in a phased manner. Our ongoing capacity, which is there are yet to be fully utilized, and we expect a better operational efficiency in the coming years.

We are not expecting any downward pressure on the margin from the current level. Anything adverse, which we'll be, you know, updating to our shareholders accordingly on a quarter-to-quarter basis. We have generated a very good operating cash flow also and the management consider this to be one of the key highlights in the performance, and we remain confident of maintaining this working capital days and inventory days which we have reported this quarter.

Akhil Parekh: Sure. It's very good to hear. We maintained a margin guidance of 25%-27% and the cash conversion cycle which we clocked in FY '26, broadly should be in line for next one, two years basically.

Ekta Soni: Yes. The company aims to maintain, all the financial parameters going forward as well. Any headwinds, we will be updating you, on a quarter-to-quarter basis. As of now, we are likely aiming to maintain and sustain these levels.

Akhil Parekh: Second, on the growth guidance, like, how should one look at it, top-line growth for next couple of years, given that the capacity additions which we are doing and margins you have already highlighted, if on top-line growth, if you can share some color?

Ekta Soni: Yes. See, the outlook for FY '27 remains strongly positive on the top-line front as well. It is, you know, driven clearly by the structural growth levers already which are there in the motion. So if we talk about the structural levers, there is capacity expansion in terms of debottlenecking. So our existing capacity are in the mode of pre-debottlenecking, for which one plant we already have done the debottlenecking and the output has been increased to 30% on our 25,000 metric ton plant and we have been continuously increasing the value-added portion on our product mix as well. Overall, the financial year 2027 is expected to be a very good growth year for revenues for the company, with growth primarily volume-led driven and some price realization benefit also structurally driven by the capacity expansion.

Also we are diversifying globally also, getting into the global market, international market also with our increasing value-added product mix. We are very hopeful and confident of having a very good strong growth year for FY '27 as well.

Akhil Parekh: Sure. Just to I mean, if you can give a broad range, like is it fair to assume 25% plus growth can continue given that we have grown at almost 60% CAGR for last 3 years and now our base is also high. Would 25%-30% will be a right metric in terms of growth rate?

- Ekta Soni:** That is the company aim also. We see our capacity also to be fully utilized. The company is totally driven by and working very hard to achieve the growth which you have mentioned currently. We are very confident on the business balance to achieve that kind of a growth given our coming capacities which will be there. We are very hopeful and constructive on the growth as well.
- Akhil Parekh:** Sure. Just one last question, if I can squeeze in. Given that we are doing backward integration in Burkina Faso, right? We all know there are certain political currency and those kind of risk involved in Africa. Anything you can share, like what are your thoughts on it and how are we hedged against those kind of risks basically?
- Ekta Soni:** See, for that, it's a government-backed project also because we have signed an MoU, Memorandum of Understanding, with the government of Burkina Faso. Anything politically will be not affecting the project what we are going to put up there. It is going to, also, you know, put the money into the livelihood of the forest dwellers of West Africa.
- Given the parlance metrics of the business, if the political uncertainty or insecurity, it does not really affect our operation in Africa. It is a government-backed project for which we have already signed the MoU with government of Burkina Faso. We are being very clear on it as well. We have done some meaningful upgrades and status we have done in that project as well.
- Moderator:** The next question is from Mr. Bharat Sheth from Quest Investment Advisors Private Limited.
- Bharat Sheth:** Congratulations, whole Manorama team for excellent performance. So just to get some sense that this working capital despite our inventory has gone up reasonably high. So I have some idea whether it's finished goods or raw material? And how should we look despite we have generated good free cash flow. So how should we look at it in future and then going further?
- Ekta Soni:** So basically, sir, 45%-50% is the raw material cost in our business. And whatever inventory we report in the current fiscal year towards the end of this balance sheet year is the base to generate the revenue of the coming year. Currently, the company's total inventory stood at approximately INR 710 crores. The inventory is well aligned with the scale of operations, and it supports the integrated global supply chain and expanding business requirements.
- The breakup of the inventory is, out of this INR710 crores of inventory, raw material inventory is around INR 420 crores. The finished goods inventories are around INR 260 crores. The others co-products and WIPs, the work-in-progress products are around INR 30 crores. This is the breakup of our inventory levels.
- Bharat Sheth:** Sorry, I missed your earlier remark. I joined little later. That, this capex that is around INR 400+ crores that we have announced, if you can give little broader color and how do we think that can, I mean, help us in improving a top line as well as EBITDA side, if you can give more color?
- Ekta Soni:** So sir, we have been making progress on this INR 460 crores. So if I can explain for this project, we already have spent around INR 52 crores out of which INR 16 crores is the work in progress towards capex investment. And we already have acquired the land also for Indian

plant. The project 1 is a forward integration process, which includes the CBA plant and the solvent fractionation 3 plant of 75,000 tons. This will convert our soft fractions olein into the hard fractions. This is the one project which will include the CBA plant, fractionation plant, and also the refinery plant of 90,000 metric tons per annum.

Bharat Sheth: So this forward integration, if you can give. Sorry, you are saying -- please continue...

Ekta Soni: Sir, because these projects are at different stage of implementation and ramp-up and the company is focused on maintaining the disciplined capital allocation also because we have given our earlier communication towards we are expecting more than 6x of asset turn on our forward integration project, which is around INR 330-340 Crores of the total capex amount.

Bharat Sheth: And that -- this forward integration is what you said something I missed it, sorry.

Ekta Soni: It's a CBA ESOS plant and the solvent fractionation 3 plant along with the refinery plant -- it is there on our outcome also. If you want to have more details on it, you can go through the presentation uploaded with respect to the capex announced also.

Bharat Sheth: And this forward integration is a more value accretive or in EBITDA term or if you can, when it's very high, I mean, asset turnover. How do we think about it?

Ekta Soni: The idea and the intention and the aim, of course, is to create a better accretive numbers in terms of top lines and margins. We can comment you that it will be having the same kind of potential margins in the business which we are reporting currently, or even it could be potentially better once we ramp up, get into a fully optimized product, get into a better product mix as well.

That we are going to communicate to you and update you quarter-to-quarter, because these projects are being set up in a phased manner. But these projects what we are setting up are going to be giving a good accretive on terms of value margins and also top lines as well.

Bharat Sheth: Okay, great. When do we expect that, to commission those, phase manner, I mean, project?

Ekta Soni: All our projects are targeted to be commissioned by the financial year '28, in that particular way. That is how we are targeting it to spend. It is like two-three year window, we are targeting to complete it.

Bharat Sheth: Is it fair understanding...?

Moderator: Mr. Bharat Sheth Sir, if we can request you to come in back in the queue.

Bharat Sheth: I just want to understand the cash flow part of it. I mean, funding part.

Moderator: Mr. Bharat Sir, please go ahead, ma'am.

Ekta Soni: From a financial strength perspective, yes, we have a free cash Fixed Deposit of around INR 130 crores. We already have spent INR 52 crores on the project, and we are providing, as of now, the internal funding support for the planned expansion program. Anything, if we are

targeting for any external financing, we will update you accordingly, but as of now, we have started funding our project through internal accruals...

Moderator: The next question is from Kushal Shah from Nexus Equity Growth Fund.

Kushal Shah: I mean, congratulations for the wonderful set of numbers once again. There are two questions. The first one is on the growth part. Basically, ma'am, you just mentioned, you know, that we do have a capex program which is spread across next two, three years. Of course, FY '27 growth will be taken care of with the current debottlenecking capacity with which we have increased.

What about, ma'am, FY '28? As I can understand, this entire capex will be commissioned together. I mean, the growth for the business beyond FY '27. From where we can expect the growth to come for FY '28? Because capex will commission FY '28, you will witness in FY '29 and '30, but for FY '28, just wanted to understand, how do you plan to grow?

Ekta Soni: First of all, you need to understand company from a long-term perspective, not a quarter-to-quarter thing. It's not a thing that there will be there. Of course, the company is very poised and fuelled for the growth, given the capacity we have. Existing capacity are on a utilization level of 85% of 40,000 tons. We have said that we have debottlenecking capacity on 40,000 tons, which will take our capacity to 52,000 tons per annum.

This is the input capacity. We are upgrading our value-added product mix also. Currently, we see the current fiscal year and the coming fiscal year are very good for the growth, given our utilization is still yet to be there on an optimized level, and we expect a price realization growth also of 5%-10%.

If you calculate all the metrics, there is a clear output which is visible of a 30% volume accretive growth and 5%-10% could be our price realization benefit also. On top of that, we are yet to utilize our 15% capacity of existing plant as well. So, this math is clearly visible, for you to calculate how the turnover will be looking in the next two years as well, along with our further capex plans.

Kushal Shah: I think, you know, we do have significant portion in export. On the recent West Asia war, do we face any impact, you know, because on the side of shipments, logistics, et cetera? What is the situation over there?

Ekta Soni: This is you're talking, from the war standpoint of view?

Kushal Shah: Yes, ma'am... From the war standpoint.

Ekta Soni: Okay. The ongoing geopolitical tension including Iran, U.S., Russia, Ukraine or some, you know, the tariff, are expected to have a near-term indirect impact, not only on our industry, but a broader industry environment as a whole. It will be primarily through higher energy prices or maybe elevated freight costs and currency volatility. But however, from a business fundamental perspective on Manorama Industries, the company remains largely insulated from any direct substantial impact.

Its key raw materials which we are importing or having indigenous like Sal, Mango, or Shea are not sourced from the affected regions. The company also has a very minimal revenue exposure to these geographies. That's what, like, for example, there may be some short-term macro pressure, such as some input cost inflation on freight costs or anything, but that does not materially impact the company's core business model or the long-term growth trajectory.

But there could be some minor impact maybe here and there, but we are, despite all the headwinds which is there on a geopolitical tension of Russia-Ukraine war or U.S.-Iran conflict, the company has reported a sustainable margin despite all the headwinds, and we are going to aim to maintain and sustain this level also.

Kushal Shah: Yes, ma'am. I mean, wonderful to hear that. Ma'am, on the, I mean, on the capex side, I mean, just referring to your previous participant's conversation. As you just mentioned that, you know, the capex plan and the funding mix. You have, I mean, you have internal accruals roughly around INR 100 to INR 120 crores every year. Along with that, you have debt available also. What about the QIP, which you have taken the approval of up to INR 500 crores? I mean, how exactly do you plan to fund the entire capex?

Ekta Soni: See, sir, basically the funding of the capex is one thing, the QIP resolution is another thing. It's not, it will give you a very true thing to, you know, combine both these things. capex is one thing, which we already have started doing it through our internal accruals. We have good internal cash flows as well. In terms of QIP, this is an approved enabling resolution. In relation, it could be a potential fundraise, maybe through a permissible modes and instruments and we are currently evaluating various options, and we can, you know, make appropriate disclosure in accordance with the applicable law. As and when any specific transaction related parameters, which including structure, size or timings or other terms are finalized. We will keep updating you on QIP as well.

Kushal Shah: Okay, perfect. Just last question from my side.

Moderator: Sir, Kushal Shah, please back into the queue. Ladies and gentlemen, in order to ensure that the management is able to address questions from all participants, please limit your questions to two per participant. Should you have a follow-up question, we would request you to re-join the queue.

We have the next question from Mr. Harshil Solanki from Equitree Capital. Please go ahead.

Harshil Solanki: Hi, team. Good afternoon. I had three questions. First, if you can help me with what was the percentage of raw material we purchased from Manorama Africa for FY '26 and FY '27? For FY '27 we would have already bought our raw materials.

Ekta Soni: It's like, you are asking from the West Africa how much shea nuts we have sourced or how the breakup is requested by you. If you can clear your question, please.

Harshil Solanki: Yes. The promoter entity which is there, Manorama Africa Limited, what is the percentage of total RM we have bought? Because last year it was 60%. For '26 and '27, I want to understand.

- Ashok Jain:** Around 20%-25%, we bought the raw material from Manorama Africa Limited this financial year '25-'26.
- Harshil Solanki:** For '27, what would it be?
- Ashok Jain:** It will be -- depends on the -- which will be same line of procurement will be continued.
- Harshil Solanki:** Okay, understood. CFO sir, just one question to you as well. Our gross margins have fallen from 48% to 43% on a consol basis quarter-on-quarter. Whereas, on a standalone basis, they have remained the same on a QOQ basis. If you can highlight why this difference is arising. There's a 5% difference on a consol basis.
- Ashok Jain:** If you see the gross margin in consol basis, this all subsidiary companies just, we have newly incorporated, this financial year. We are going to streamline all this operation. The Company has expanded to global footprint with established nine subsidiaries across different countries and marking important strategic step towards building a diversified international presence.
- As this is the first year of operation for most of these entities, initial setup related cost, including employee cost, establishment expenses, and other operating overheads have been higher. This has temporarily impacted consolidated margin. However, these costs are largely one time or transitional in nature and are expected to normalize as operation is scale up. This investment phase was necessary to support long-term business expansion.
- Harshil Solanki:** I get your point on the operating cost. But why are the gross margin impacted? Because the employee cost and operating cost would come below gross margin.
- Ashok Jain:** This is the primarily influenced by the freight cost, and other related production cost, which we are for making the product. This is just started the operation to subsidiary companies. Going forward, we see a good number in also subsidiaries. The chemical input cost and other products led to the increase in the cost of production. We are confident to maintain going forward all subsidiary companies also healthy financials as well.
- Ekta Soni:** Just to add to the point sir has made, anything between the 45%-50% level of gross margin is normal in the parlance of the business model. This we have repeated and emphasized on the past as well. Anything between this range is considered to be a normal gross profit margin from a company's point of view.
- Harshil Solanki:** Got it, ma'am. I'll take it offline. I have one more question. We had posted revised results. What was the error, and why did we have to revise our results, if you can highlight?
- Ekta Soni:** This revised financial statement file has been uploaded inadvertently. It's been submitted to ensure accuracy and completeness of the reported information. The revision is purely corrective in nature. Inadvertently, because of the technical issue, the wrong file was uploaded earlier. The company remains committed to maintaining high standards of transparency and timely disclosure that is why we have submitted the revised file, soon as once we have uploaded the technically wrong file in the stock exchange.

For any financial correctness of the matter, you can please consider the revised financials and those numbers for your further questions, please.

Moderator:

The next question is from the line of Ms. Shwetha from Ithought. Please go ahead.

Shwetha:

My first question is regarding the total fractionation output for FY '26. In that, if you could share the stearin and olein split up, that would also help.

Ekta Soni:

For the fractionation output, around 85% stands the utilization on a full year basis. Out of which we can just share you the volume for our products, main value-added product of stearin and CBE. Stearin volume was around 8,000 reported on a full year metric ton, and CBE volume has been reported around 7,500 metric ton for full year.

Shwetha:

Ma'am, this 85% utilization includes the debottleneck capacity, right?

Ekta Soni:

No, this doesn't include our debottlenecking facility.

Shwetha:

Okay. Regarding the arrangement with Dekel in Brazil, I just want to understand what is the like commercial agreement. Is it like a royalty or revenue share model or some tolling fee? Could you just throw some light on that?

Ekta Soni:

No, it's a cost model thing there. It's a processing cost which the company needs to pay them for processing of the per ton of our goods. There is no agreement in terms of profit sharing which is there with the Dekel agreement. It's just the processing facility which is there.

Shwetha:

Okay. Just the processing cost.

Ekta Soni:

Yes, just the processing cost.

Shwetha:

Okay. In Q3, the contribution was minimal is what you had said. Maybe for FY '26, what is the actual volume in Dekel?

Ekta Soni:

See, we have just started the Dekel operation. It has been the first quarter we can say, or the first year of operation in the present through our own processing facility. We are still scaling up. A better number guidance maybe we can give you going forward of this. It's just that we have just started with our Dekel operations currently.

Shwetha:

Okay, ma'am. I'll follow up this next quarter or something. Thank you.

Moderator:

A reminder to all participants, please limit your questions to two per participant. Should you have a follow-up question, we would request you to rejoin the queue.

The next question is from Kumar Saumya from Ambit Capital. Please go ahead. Kumar Saumya, the line is open.

Kumar Saumya:

Yes. Hi. Good afternoon, sir. My question is on the Dekel. Do we pay the entire year's processing cost upfront at the start of the year, or we pay it as we process it?

- Ekta Soni:** We pay as we process on per metric ton. For just, to give you an example, if we are processing 100 tons per month or per day, we are going to pay them accordingly post the processing. There is no cost which is uploaded upfront on those Dekel arrangement.
- Kumar Saumya:** Okay. Subsidiary, if you see, this quarter we had INR 9 crores of revenue against which we had INR 5 crores of loss. I was assuming that INR 14 crores delta is coming from Dekel.
- Ekta Soni:** We have just started the minimal volume in Latin America for our own facility. Largely those things are there. We are stabilizing in terms of operational cost as well. Maybe the correct way will be to look on the consol level in terms of LATAM and other subsidiaries in the coming year.
- Kumar Saumya:** Okay. In the subsequent quarter, things will start to cover up as the ramp up. Yes. Is that right?
- Ekta Soni:** Yes, that is right.
- Kumar Saumya:** Secondly, Ekta, on our long-term goals, the plans that we have, say, more than INR3,500 crores of revenue by FY '30, with the upcoming capacity. Are those plans on track and are we confident in achieving those revenue numbers, whatever we are guiding for the long-term basis?
- Ekta Soni:** Yes, Sir, definitely. We are very confident on whatever plans we have going forward in terms of our capex outline. Because if you see, we are adding another 75,000 of our solvent fractionation capacity. Along with that, we are also putting a backward integration process. We are visionary doing this because we want a very integrated value chain where we just does not scale up our revenue terms, but we have a very healthy operational efficiency as well, which should result in both top line and bottom line as well.
- The internals, our target is very strong on these numbers, but as a guidance, whatever we have given in the past, we are still very confident on achieving that. The past records, we are very like confident to maintain and do that. Just to add, on one more thing, that the company has done this year, like we are targeting a capex of INR 460 crores to be spent on two-three years.
- But if you see today, the reported financials FY '26, we have achieved a significant financial milestone underscoring the strength and scalability of this business model, because the annual cash profit, which include our PAT and depreciations stood at INR 258.77 crores which has already exceeded our gross block of INR 250 crores. This indicates us, you know, capital efficiency, what the company can do going forward with the planned capex.
- Kumar Saumya:** Working capital improvement was really commendable.
- Ekta Soni:** Thank you so much, sir. That has been the stress on working cashflow as well. And the company has done a meaningful improvement in that parlance as well.
- Kumar Saumya:** Just one last question from my side. With the backward integration, as in the processing facility in Africa, does that improve the process yield of those seeds because you'll be immediately processing it rather than bringing it to India? Is that understanding right?

- Ekta Soni:** Yes. It should improve there. When we are crushing and processing the seeds immediately, it will definitely have a better yield compared to what we currently process after 60 days.
- Kumar Saumya:** Yes. The fat output would be better than what we have today.
- Ekta Soni:** Yes. Along with that, we are also going to save on the logistic cost as well. That is a very good scenario to having a processing facility in Burkina Faso for the seeds.
- Kumar Saumya:** Yes. Oil we'll have to bring it to India, right?
- Ekta Soni:** Of course, the butters we will be bringing to India for further value addition process here, like fractionation and everything. The first part of the seeds will be done there only. Our current facility here in India can also optimize our plant on the other Indian exotic seeds, which are Sal and Mango. It is a dual benefit if we are putting up Burkina Faso plant there. First, it will be a very helpful nature for shea nut once we do there.
- Other, the existing processing facility which we have of 90,000 tons of solvent extraction facility here in India will be used and will be a better optimized for Indian exotic seeds like Sal and Mango kernels and other.
- Kumar Saumya:** From what I understand, you mean the freight cost as a percentage of raw material when it was seed, now it will be oil, so that will be better now.
- Ekta Soni:** Yes, along with the quality.
- Moderator:** Thank you, sir. Participants, we request you to please limit your questions two per participant. We have the next question from Mr. Jainam Doshi from Kriis PMS. Please go ahead.
- Jainam Doshi:** Good afternoon. Just two things. One is by the end of FY '26, we have added 7,500 tons capacity to the solvent fractionation plant. By when are we expecting the balance 4,500 tons to be added? What is the utilization we are expecting for this incremental 12,000, both for this year as well as the next year, just to understand on that?
- Ekta Soni:** Yes, we are expecting that also to be streamlined in this financial year only. We will update you once that also has been done. Utilization, we are expecting of 52,000 tons of around 85%-90% for this fiscal year as well. We will update you what utilization we have reached maybe end of this year of the total increased capacity of 52,000 metric ton.
- Jainam Doshi:** Some data points, like just wanted to understand, in terms of value, what is the CBE contribution to the total revenues and what is the total value-added product mix to our total sales?
- Ekta Soni:** CBE has contributed around 30% to our top line. Along with our value-added product stearin, it is around 70%-75% to it. If you see 30% today what we have done with CBE, it was 10% two years ago. The company has also done a very remarkable improvement on improving the product mix for our specialty fats and butters as well.

- Jainam Doshi:** Great, Just the last thing, what has been the total volume growth for us, like, compared to last year?
- Ashok Jain:** Volume growth of this financial year '25, '26, around 80%-90% and 5%-10% is the price growth.
- Jainam Doshi:** Price growth. Okay.
- Ashok Jain:** Approximately.
- Moderator:** Thank you. The next question is from Shrenik Mehta from IndoAlps Wealth.
- Shrenik Mehta:** Hi. I have one comment and two questions. One comment about, why we are reporting only the standalone results when it comes to the newspaper release or the presentation. Why don't we give the consolidated picture? Is it because the consolidated number is looking weaker than the standalone number?
- Ekta Soni:** Sir, we just need to want to clarify that in the newspaper we give both standalone and consol figures. It's just not that because it is a regulatory requirement which we need to follow for both standalone and consolidated numbers. There is no standalone number only, which is reported -- which is related to the newspaper publication. For press release, there is no regulatory requirement which is there to put up a consolidated number. Because if you see in the past, the subsidiary has been recently formed from company's point of view.
- This has been in the first year of operation. So maybe coming forward we can, you know, start a practice of giving a consolidated numbers in press release as well because this has been our past practices of giving a standalone number on press release because there's no regulatory requirement which is there to give consolidated number on press release, but in newspapers there is both reported numbers.
- Shrenik Mehta:** Sir, in the seven audited African subsidiaries, we posted INR 13.5 crores losses for FY '26, out of which almost INR6 crores came in Q4 itself. Is this implying a loss run rate that has doubled in the final quarter? You know, you've just announced INR 350 crores in Burkina Faso. Can you tell us for FY '26, the subsidiary loss is coming because of what? Is it the startup cost? Is it the Forex translation loss? Is it the operating losses in the trading P&L on these entities?
- Ekta Soni:** Sir, we have already tried to answer this question in our earlier, which was raised, but we are going to repeat the answer for you as well. The company has expanded its subsidiaries in nine geography. We are running nine subsidiaries, which the current fiscal FY '26 has been the first year of our operation. It is very diversified, not only restricted to West African countries, but we have our operation in LATAM region as well and other geographies as well.
- Because this year has been first year of our operation, there has been an initial setup related cost, operational costs, employee costs, establishment expenses, other operating overheads are also there. This when once you start the company, you have to take this operational cost which is there.

Going forward, once you see these numbers will be stabilized, and this is kind of a nature of one time and transitional in nature. There is not something that has been going in terms of losses. This you need to understand, sir.

Shrenik Mehta: In the end, the consolidated EPS has grown by only 6% compared to ... almost more than 150% growth that we saw in the previous three quarters.

Ekta Soni: That is right. You have to see on a consol level, also including a standalone. If you only talk about consolidated balance sheet, the consolidated EBITDA margin level is around 26% compared to 27% in standalone. The company is doing fairly well on terms of both, but if you see, we have to bear the expenses and cost to set up our companies there. So that is the understanding we also expect our, you know, shareholders to have once we are doing this.

Shrenik Mehta: Yes, as long as it's onetime expense and, you know, you believe that the margins will come back, it seems good. The other question that I had was about the INR 23.3 crores cumulative month-to-month hit on the forwards in FY '26. You have a 57% export revenue. What is the hedge ratio policy, and has it been recalibrated after this year's experience?

Ekta Soni: Sir, because, see, these are the scenario which is there for a time. We cannot say that this will be sustained for a lifetime. But yes, we follow a prudent and structured foreign exchange risk management policy, which, minimize the impact of currency volatility on our earnings and cash flow. Around a 60% of our company's net foreign exchange is currently hedged through forward contracts. It also provide earning visibility and protecting against any adverse currency movements.

But for the remaining unhedged 40% exposure, the company retains the flexibility to benefit from any favorable movement, which can also be there in the currency rates going forward. That is the practice which company does, but it doesn't harm the company's core level of business in terms of that, but for anything which is there on currency level, we are having a very prudent risk management policy which covers both and protects us on any volatility. We can also get benefit out of our unhedged exposure which is there, because we have a natural hedge also in terms of import and export.

Moderator: The next question is from Koushik M from Ashika Group.

Koushik M: Hi, Sir. I just wanted to understand couple of things. Most of my questions got answered. Yes, we did debottlenecking, right? Currently our capacity should be around almost around 52,000 metric tons. In the presentation we mentioned it is 47,500 metric tons. Can I understand what's the reason?

Ekta Soni: Yes. To give you a better clarification of this, we have two solvent fractionation plants. Solvent fractionation 1 plant is of 15,000 tons. Solvent fractionation 2 plant is of 25,000 tons. The debottlenecking of 30% has been done on 25,000 solvent fractionation plant. That is how the result is the total fractionation is 47,500.

Koushik M: Got it. The new debottlenecking of addition, 52,000 tons will not be any cost. There is no any cost in it. Okay.

- Ekta Soni:** Not much. It costs under INR 8 crores-INR 10 crores for both the plants.
- Koushik M:** Now can I understand one more thing? Like, in the meanwhile of the conversation only, you mentioned that we will be doing a volume growth of 20%-30% plus, and the price also will be hiked by another 5%. That means that, for the next year, when it comes to FY '27, this year current running year, the run rate should be very good, is what you are clearly mentioning. Can I understand on this, what kind of volumes will be done? Or like not volumes, or at least fractionation. How much utilization that you are thinking in this financial year? Or getting something ...?
- Ekta Soni:** We are targeting and aiming to utilize around 85%- 90%, 85% of plant on our 52,000 tons full capacity. That is the kind of utilization we are targeting for this fiscal year.
- Koushik M:** 52,000 tons, 80% is what you are mentioning. That means that is 41,600 we are talking about.
- Ekta Soni:** Yes. Then we will update you quarter-to-quarter how has been the progress on it.
- Koushik M:** Perfect. Just for a clarity purpose only. Still, I understand this closely by looking at from so long. Cocoa prices is no relation with our CBE prices. Still, in this recent quarter, we have a margin dip that I understand that it is coming through the African companies and the setoffs. Is it going back to normalization situation? Can I understand it will go back to 27%, 28% or like 25% to 30%.
- Ekta Soni:** Sir, see, we always have guided you on our sustainable margins range earlier, which was around 25%-27%. The company is well within that range even in the consol level, which we have reported 26% of EBITDA margin there also. There is no significant margin dip which we, the company, has reported, be it on consol level or be it on standalone number. There could be a minor range which you have to take into consideration of around 45%-50% on gross margin level and 25%-27% on EBITDA level.
- This has been the management stance in our various past track records for our guidance purpose. Anything well within this range should be considered normally from a business point of view. Of course, we are there working on many levers to improve the margins going forward, but then we will update you once we have the visibility of the same.
- Koushik M:** Last question from my end.
- Moderator:** Thank you, sir. Mr. Kaushik, we will request you to come in the queue, sir. The next question is from Mr. Sumant Kumar from Motilal Oswal.
- Sumant Kumar:** Yes, hi. My question is, for FY '26, we have seen a 230 basis margin expansion. Is this all because of better product mix, value-added product mix, or efficiency of the manufacturing plant? Mix of both.
- Ekta Soni:** Thank you for the question. To answer it, yes, it is a mix of both. We have, if you see our value-added product mix in terms of CBE was around 10% one, two years back. It is now 30% today. So that also has resulted in the improved metrics on our financial, and also the higher

utilization of our plant has resulted into this. So there is a combination of all practices which has been attributing to these levels.

Sumant Kumar: Okay. One suggestion, can we include in our PPT OER oil extraction ratio? Okay. I have seen all the palm oil company used to show that number.

Ekta Soni: Sorry, oil extraction.

Sumant Kumar: Yes, ratio. Yes, OER.

Ekta Soni: OER. Okay. We will see this internally to see what is OER, and we will take the actions accordingly as per company's policy.

Sumant Kumar: Okay. Thank you.

Moderator: Thank you. The next question is from Divyansh Thakur from Finterest Capital.

Divyansh Thakur: Thank you for the opportunity, and congratulations on a great set of numbers. So, most of my questions have already been answered, but I just wanted to get clarity on the margin side. You mentioned that 25%-27% is a sustainable margin going ahead. Is it a yearly guidance or is it a quarter-to-quarter?

Ekta Soni: Sir, we from business point of view, we will request all our shareholders. Of course, we understand that you have a quarterly metrics to compare and do it. But from our side, we try to focus on our yearly metrics that is there. We try to maintain on quarter-to-quarter basis, but whatever guidance we try to give, we will request our shareholders to take on year-on-year basis.

Divyansh Thakur: Okay. Thank you, ma'am. Also, the remaining 4,500 metric ton debottlenecking is expected to be happening in this quarter or the coming quarters going ahead?

Ekta Soni: That is underway, sir. once we have implemented that, then we will, you know, share the disclosure of that. But that is underway of doing it. We will update you once it is done.

Divyansh Thakur: Okay. Just the last question, ma'am. What is our Middle East exposure that you had mentioned? I missed that in the call.

Ashok Jain: Middle East exposure only 2%-3% of total revenue.

Divyansh Thakur: Okay. Thank you so much, and all the best.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, this will be the last question for today. I now hand the conference over to management for closing comments. Over to you.

Ashish Saraf: My dear friends and stakeholders, on behalf of the entire management team, I would like to sincerely thank all participants for joining Manorama Industries Q4 and FY 2026 Earnings Conference Call. As we all know, business is business and there is always a risk, but our last many years of performance is proven and is on your record.

Manorama Industries continues to solidify its position as a reliable supplier, committed to meeting the fast-growing global demand for sustainable cocoa butter equivalents, specialty fats, stearin, and exotic butters. We are executing with focus and conviction on a clear laid-down strategy.

Expansion of manufacturing capacity to address growing demand for our specialty fat products and value-added, scientifically made, and jointly collaborated with customers, specialty fats. Investment in research and development, which is key to our success, to expand specialty fat formulations and application-specific products.

Centering our sourcing capabilities in key raw material regions with robust supply chains. Expanding global market presence through international subsidiaries and strategic partnerships. Optimization of operational efficiency across the whole integrated value chain. Our target is to make every human on this earth somewhere our customer. We remain committed to becoming the partner of choice for both international and domestic customers, delivering quality, reliability, sustainability and trust at every level of our operations.

We look forward to continued engagement with our investor and analyst community, and remain available for follow-up discussions. I thank all our stakeholders, our suppliers, our tribal families, our Manorama team members, and every person associated with Manorama. Thank you once again for your time, for your trust, and your continued support. Thank you.

Moderator:

Thank you. On behalf of EY, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.