



Manorama Industries Limited

KHASRA No. 2449-2618
Nr. I IDC, Birkoni
Mahasamund (C.G.)
Pin: 493445

January 31, 2026

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

Scrip Code: 541974
ISIN: INE00VM01036

To
The Manager,
Listing Department
National Stock Exchange of India Limited
("NSE")
Exchange Plaza, Plot No. C/1, G Block, Bandra-
Kurla Complex, Bandra (East), Mumbai 400 051

Symbol: MANORAMA
ISIN: INE00VM01036

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of Q3 & 9M FY26 Earnings Conference Call held on Wednesday, January 28, 2026.

Dear Sir/Madam,

In reference to our intimation dated January 22, 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 Q3 & 9M FY 26 Results on Wednesday, January 28, 2026 at 05:00 p.m. (IST). A copy of transcript of Q3 & 9M FY 26 earnings conference call is enclosed herewith and the same has also been uploaded on the Company's website at the below mentioned link:

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



Encl: As Above

Corporate Office:

F-6, Anupam Nagar,
Raipur-492007, Chhattisgarh, INDIA
E-mail: info@manoramagroup.co.in
Tel.: +91-771-2283071, 2282579, 2282457
Telefax: +91-771-4056958
CIN: L15142MH2005PLC243687
GSTIN: 22AAECM3726CIZI

Certifications:

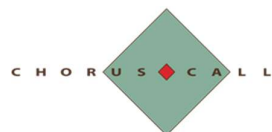
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KOSHER, FAIRTRADE, ORGANIC, FSSAI,
EcoVadis & Sedex registered and certified.
A Government of India Recognized Star Export House

Registered Office:

Office No. 701, 7th Floor, Bonanza Building,
Sahar Plaza Complex, JB Nagar Metro Station
Andheri Kurla Road, Andheri East,
Mumbai, Maharashtra-400059
Tel. 022 49743611, 022 67088148
www.manoramagroup.co.in
GSTIN-27AAECM3726C1ZR



“Manorama Industries Limited
Q3 & 9 Months FY '26 Earnings Conference Call”
January 28, 2026



MANAGEMENT: **MR. ASHISH SARAF – CHAIRMAN & MANAGING DIRECTOR – MANORAMA INDUSTRIES LIMITED**
MR. DEEP SARAF – DEPUTY CHIEF EXECUTIVE OFFICER – CHIEF COORDINATOR – MANORAMA INDUSTRIES LIMITED
MR. KRISHNADATH BHAGGAN – DEPUTY CHIEF EXECUTIVE OFFICER - BUSINESS DEVELOPMENT & VICE PRESIDENT, R&D – MANORAMA INDUSTRIES LIMITED
MR. ASHOK JAIN – DIRECTOR & CHIEF FINANCIAL OFFICER – 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– E&Y LLP**

Moderator: Ladies and gentlemen, good day, and welcome to Q3 and 9 Months FY '26 Conference Call of Manorama Industries. 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Hiral Keniya from EY. Thank you, and over to you, sir.

Hiral Keniya: Thank you, Rudra. Good evening, everyone. On behalf of Manorama Industries Limited, I welcome you all to the company's Q3 & 9M 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. Deep Saraf, Deputy Chief Executive Officer, Chief Coordinator; Dr. Krishnadath Bhagga, Deputy Chief Executive Officer, Business Development, Vice President - R&D; Mr. Ashok Jain, Director and Chief Financial Officer; 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 when interpreting such statements. Please note that this conference is being recorded. We would now 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 Mr. Ashish Saraf for his opening remarks. Thank you, and over to you, Sir.

Ashish Saraf: Thank you, Hiral ji. Good evening, everyone, and a warm welcome to the Manorama Industries Limited Earnings Conference Call for Q3 & 9M FY'26. I'm accompanied today on this call by our Director and Chief Financial Officer, Mr. Ashok Jain; our Deputy CEO and Chief Coordinator, Mr. Deep Saraf; our Deputy CEO, Business Development and Vice President, Mr. Krish Bhagga; our Chief Compliance Officer, Mr. Deepak Sharma; and our Vice President, Investor Relations Mrs. Ekta Soni; and other members of our senior management team.

On the company's behalf, I want to express my gratitude to all our investors, analysts and stakeholders for participating in today's call. We are thankful for your ongoing trust and continued faith in our long-term vision for the company.

I am extraordinarily pleased to share that we continue to sustain our growth momentum in the Q3 and 9M FY'26. We have reported revenues of INR 363 crores, which reflects a remarkable year-on-year growth of 73.3%. This strong performance can be attributed to several key factors, including an enhanced mix of value-added products, the optimized utilization of our newly upgraded fractionation facility and our commitment to operational excellence.

Additionally, we have experienced steady demand for our products from our key customers in the chocolate, confectionery and cosmetic sectors worldwide. In light of these positive

developments, we are excited to announce that we have upwardly revised our financial year '26 revenue guidance from INR 1,150 crores to INR 1,300 crores. This revision underscores our confidence in our growth trajectory and the strength of our business model.

Our backward integrated model, high-tech R&D, research and development with cutting-edge technology and deep sourcing network and the confidence of our hundreds of customers, create a defensible competitive moat for Manorama. As many of you know, we operate in a structurally undersupplied and high-growth exotic niche specialty fats and butters market.

To address the increasing demand for specialty fats and butters, we have plans to boost our existing capacity by 30%. This expansion will increase our capacity to 52,000 metric tons of fractionation per annum through debottlenecking the existing plants, which we expect to complete by FY26.

Furthermore, I'm pleased to report that we have acquired 19.40 acres of new land adjacent to our existing facility and simultaneously, we have successfully commissioned a new packing plant with the new laboratory building and other infrastructure, all funded through our internal accruals. This strategic investment will enhance our operational capabilities and support our growth initiatives. Looking ahead, to facilitate the next phase of growth, we are structurally planning to enhance the company's capacities in both India and West Africa. We are committing a capital expenditure of INR 460 crores over the next 2 to 3 years for the below projects: -

Forward integration through setting up a manufacturing facility for cocoa butter alternatives with 75,000 metric tons per annum capacity.

Setting up a new fractionation manufacturing facility for shea, palm, mango and other exotic seeds with 75,000 metric tons per annum capacity, including ESOS.

Setting up of new refinery manufacturing facility with 90,000 metric tons per annum capacity.

Backward integration to processing factory in Burkina Faso, West Africa, with 90,000 metric tons per annum capacity.

These investments will enable us to expand our production capabilities and meet the growing demand of our markets. At Manorama Industries, we leverage our integrated value chain to ensure margin stability and foster long-term customer loyalty. Our backward integration from procurement to research and development to super critical fractionation provides us with unparalleled control over quality, cost, supply stability and the confidence of our worldwide customers. This strategic approach positions us as a trusted partner for our customers in the chocolate, confectionery and cosmetic industries who highly value us, regard us and honor us.

With prudently planned capex, we aim to strengthen our leadership in specialty fats and butter with pricing power, robust growth visibility and high structural advantages, all well-positioned to deliver sustainable growth for our esteemed stakeholders.

With that, I now hand over the call to our Chief Financial Officer and Director, Mr. Ashok Jain, to take you through the financial and operational highlights for the quarter and the first half of the year. Thank you.

Ashok Jain:

Thank you, Ashish, Sir, and good evening, everyone. Let me through the financial performance for the third quarter and 9 months ended December 31, 2025. For 9M FY25-26, Manorama Industries reported revenue of INR 975 crores, delivering a strong 81.3% year-on-year growth. EBITDA for the period stood at INR 265 crores with margin of 27.2%, while profit after tax was INR 174 crores translating into a margin of 17.8%. This improvement in profitability reflects our commitment to optimizing our product mix, enhancing capacity utilization and implementing disciplined cost control measures.

For the Q3 FY '26, revenue stood at INR 363 crores, while EBITDA came at INR 98 crores with a margin of 27.1%. Profit after tax for the quarter was INR 68 crores, reflecting a margin of 18.8%. This result highlights our ability to maintain strong operational performance despite ongoing capacity expansion and seasonal fluctuation in the business.

With robust business fundamentals, expanding customer relationship and continuous operational improvements, we are very confident in our ability to sustain our growth momentum and achieve our revenue guidance for the FY 25'-26'.

That concludes my remarks. We would now be happy to take your questions.

Moderator:

Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask question may press star and one from your touch tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handset while asking the question. Ladies and Gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Jeevan P. from Sahasrar Capital. Please go ahead.

Jeevan P.:

Congratulations to entire Manorama team for a wonderful set of numbers. I just want to understand one thing about the capex. So, we have announced INR 460 crores capex. So I have seen the capacity 75,000 tons for CBA and 75,000 tons capacity for fractionation.

So just wanted to understand, if you can just explain how is it? Like current capacity is 40,000 tons, which is going to increase by 52,000 tons by end of this March. So this fractionation capacity will be enhanced by further 75,000 tons or how is it?

Ekta Soni:

Yes, sir. The question is related to the capex. So the capex plan, what we have announced is related to the fractionation capacity, which is more related to our product, which is called ESOS and our other exotic seeds in the line.

So that particular capacity of fractionation will be used for making ESOS product and also the HPMF, which we're going to use and blend it with our existing stearin component and going forward ESOS component to make a better and value-enhanced product. So that particular fractionation capacity of 75,000 tons is with respect to the project of ESOS, which we have announced for 75,000 tons. So those both capacities are related to each other.

- Jeevan P.:** Okay. And what is ESOS.
- Ekta Soni:** ESOS is a process where we are going to convert our soft fractions like Olein and other soft oils into a hard fraction, which is called ESOS, enzymatic stearin-oleic-stearic. That will be further be used as a different application in the food sector and will be further blended with HPMF, which is called hard palm mid fraction, and it will become a CBE component thereafter, which has a wider application and usage in the food industry. So that enhanced capacity will be of around 75,000 metric tons. So overall, we are going to increase our CBE output capacity with this ESOS and SF fractionation.
- Jeevan P.:** Okay. Understood. And the pricing will be similar to CBE pricing for this?
- Ekta Soni:** Yes. So the pricing are somewhere similar to the cocoa butter equivalent and the existing fat and butter prices of our product, existing model. So only the raw material will be different. So the raw material will be there will be the soft fractions like the existing olein we manufacture and some other commodities oil that we can use in the process of making ESOS.
- Jeevan P.:** Okay. Got it, Thanks alot.
- Moderator:** Our next question is from the line of Shrenik Mehta from IndoAlps Wealth. Please go ahead.
- Shrenik Mehta:** Just some very quick questions. So I see that you have a much higher growth in the cost of goods sold, which is the raw material versus the growth in sales. So that is leading to a significant shrinkage of the gross margins, almost 8% down versus the previous quarter. So is this some one-off kind of a cost? Are you seeing some increase in the raw material cost? What's really happening here?
- Ekta Soni:** So Sir, with respect to the GP margin, we have always been shared that, that remains in the range of 45% to 50%, owing to the freight costs and there are some other byproduct realization. So it happens to be in the range of 45% to 50%. So you can consider that range in the model in your assumptions and calculations.
- Shrenik Mehta:** Okay. This quarter, it is down to 44.3% and the last quarter, it was 52.8%?
- Ekta Soni:** It is a range bound because there are a lot of situations with respect to freight costs and our byproduct realization. It doesn't impact our EBITDA margin or PAT margin that way. But the gross margins are in the range bound of 45% to 50%.
- Shrenik Mehta:** Okay. So this doesn't trigger any changes in the price. This is just a normal raw material fluctuation in the cost?
- Ekta Soni:** Right. Yes, sir.
- Shrenik Mehta:** Okay. And you have a major plan right now for increase in the capacities. So this capacity increase would possibly take care of the revolutionary growth that you're getting for next at least 2 more years or how do you see this panning?

- Ekta Soni:** So sir, this capital expenditure, whatever the plan we have for this capex, it is happening in a phased manner. And all our investments are going to be deployed over the next 2 to 3 years, which aligns our strategy. So the growth we are targeting is for the next 4 to 5 years because our existing capacities will give you the growth for the next 1-odd year. and this capacity will give you a growth for next 2 to 3 years. So overall, we have a plan and visibility with this capex for the next 4 to 5 years of growth.
- Shrenik Mehta:** Excellent. Okay. And most of this funding for the capex is through internal accruals, I assume?
- Ekta Soni:** Yes. So we are primarily relying on our internal cash accruals, which are very strong and sufficient enough to support our planned projects over the next 2 to 3 years. And we already have begun deploying these funds. We already have spent INR 52-odd crores towards this capex plan, and we intend to continue doing so. But any external kind of financing could be considered selectively, if necessary, but we intend to do all through our internal accruals.
- Shrenik Mehta:** Thank you for excellent performance from Manorama Industries. Thank you to team.
- Moderator:** Our next question is from the line of Kumar Saumya from Ambit Capital. Please go ahead.
- Kumar Saumya:** Sir, I have a couple of questions. Firstly, on the revenue growth side, we have seen 81% growth on the 9-month year-on-year. If you could help me breakout in terms of...
- Moderator:** Sorry to interrupt your audio is not clear.
- Kumar Saumya:** Okay, I'll come back in the queue.
- Moderator:** Our next question is from the line of Rohan Mehta from Ficom Family Office.
- Rohan Mehta:** Thank you so much for the opportunity and congratulations on a great set of numbers. So firstly, I wanted to clarify in your press release, the forward integration project that you have mentioned for cocoa butter alternatives, this is essentially the fractionation capacity we are talking about. Is it true?
- Ekta Soni:** Yes. So if you see the project, so there are four projects which we have mentioned. So out of four projects, one is which is related to Burkina Faso project, which is going to come in Africa, that is a backward integration project.
- The rest of the three projects, which is related to solvent fractionation capacity of 75,000 tons and also the ESOP CBA capacity of 75,000 tons and refinery of 90,000 tons are in a similar line of production, which is related to a forward integration plan of the company.
- Rohan Mehta:** Okay. So in terms of the pricing for cocoa butter alternatives compared to stearin and CBE, how does that compare? Is this margin dilutive? Can you give some thoughts on that?
- Ekta Soni:** So the products which we are going to come, of course, they are not going to be a margin dilutive thing. Of course, we are looking for the same sustainable margin level what we have currently in our business, even we are looking for a better level. But the margins are going to be maintained with the new projects coming up with those products also.

- Rohan Mehta:** Okay. And purely just isolating for the fractionation capacity of 75,000 tons, what would be roughly a broad range of cost that you're looking at right now and the asset turns that you're looking to generate from this?
- Ekta Soni:** So if I want to bifurcate out of our capex plan of INR 450 crores, so approximately INR 300 crores to INR 330 crores would be attributed to this forward integration projects, which we are targeting an asset turnover of more than five with our investments.
- Rohan Mehta:** Okay. And my final question is on your working capital needs. So incrementally, after taking into account even the backward integration projects, what sort of working capital needs will you require going forward?
- Ekta Soni:** Sorry, can you repeat the question?
- Rohan Mehta:** Yes. So my question is on working capital requirement. So after conducting the backward integration projects and once the forward integration project of cocoa butter alternatives comes online, how much incremental working capital requirement do you foresee?
- Ekta Soni:** So for those projects which we are coming up, the working capital would be around 1 or the 2 months of the cycle because those for forward integration because those raw materials are very different, which is not related to current raw material of the products. So those raw materials could be the captive consumption of our only and maybe some other soft oil, which we can have imported from some other sources.
- So those working capital cycle will be much, much lesser compared to our existing business model, which is existingly, which is around 5 to 6 months. So that will be around 1 to 3 months of working capital, which we will be required for that business, that project.
- Rohan Mehta:** 1 to 3 months?
- Ekta Soni:** Yes, 1 to 2 months.
- Rohan Mehta:** Got it. Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Sanjay Manyal from DAM Capital. Please go ahead.
- Sanjay Manyal:** Congratulations on a good set of numbers. My two questions. One is 73% kind of a revenue growth. What would be the volume growth over here and what would be the pricing growth? That's my first question?
- Ekta Soni:** So you are talking 73% on Y-on-Y basis, right?
- Sanjay Manyal:** Yes, 73% Y-o-Y basis.
- Ekta Soni:** So in the 9 months that it's more related, the growth would be around 65%-odd from the volume growth and the rest would be the inflation adding growth with respect to the pricing. So we have

utilized our capacity, which we have commenced last year of 25,000 tons. So that attributes mainly to our growth in this number.

Sanjay Manyal: And also give me -- at what price we are doing incremental volumes at what price we are locking our cocoa butter equivalent. At what price we are locking a cocoa butter equivalent for the future contracts?

Ekta Soni: So that is one product, sir, which is there in the portfolio and we are locking in the same prices what we have been locking in the past.

Sanjay Manyal: Okay. And one last on the employee expense front. I think during the quarter, it seems the employee expense has been down by 23%. What could be the reason for that?

Ekta Soni: 23%?

Sanjay Manyal: That seems what I could...

Ashok Jain: It was the ESOP provision. So we have completed our -- we have granted the ESOP to the employees. And now it is not required to make the provision for the ESOP.

Sanjay Manyal: Okay. Fine. That's all from my side. Thanks.

Moderator: Thank you. Our next question is from the line of Koushik Mohan from Ashika Group. Please go ahead.

Koushik Mohan: Congrats on the good set of numbers, sir. I just wanted to understand like towards INR 460 crores of capacity that we are putting up, right, in that, how much currently from this year balance sheet that we can do an internal accrual?

Ekta Soni: So we have plans. We already have invested around INR 50-odd crores towards capex, buying the land and building, packing and other supporting infrastructure. We plan to invest approximately INR 70 to 80 crores in this financial year to build capex. And in the next financial year, we are planning to spend around INR 100 to 150 crores towards our capex plan of the project.

Koushik Mohan: Okay. So with this capex, ma'am in the previous call, you told that we can do 5x on asset turns. So can we assume safely INR 2,000 crores on the top line can be added with this capex over the next 3 years?

Ekta Soni: Yes. So in terms of the asset turn, we expect it to be more than 5x. So if the calculation comes exactly what you have said right now.

Koushik Mohan: Okay. And currently, what is our capacity utilization for 40,000 metric tons that we have?

Ekta Soni: It is around 85% capacity utilization for our plant combined.

Koushik Mohan: Okay. So 1 year more growth is left out in sense. Are we also considering the recent 12,000 metric tons addition that is 52,000 metric tons, 52,000 for next year?

- Ekta Soni:** We are already increasing our throughput approximately by 30% through debottlenecking. So that will cater to the growth for the next odd years and the next 2 years, you can say. So we have good room for the growth for the next 2 years. And with the capex coming in, we see a very good growth overall for the next 4 to 5 years.
- Koushik Mohan:** Okay. Ma'am lot of people in the industry like will be saying that cocoa prices are going down from the last 2 years and all. So how are we differentiating ourselves from the cocoa prices like can you just explain that because our margins are maintained, our numbers are maintained and we are on the growth phase and we are doing fantastic numbers. So can you just give that bifurcation that why are we not related to cocoa prices?
- Ekta Soni:** So sir, our performance should answer that, as you have rightly said that we are doing good performance despite cocoa butter prices volatility. But I can explain you the technicality and how our product is not related to cocoa butter per se, recycling moving and everything. Our CBE fats and butters are developed through specialized fat blending and fractionation.
- It has advanced formulation and R&D expertise, which is there to make functional fats based on our customer application. So hence, our prices are not directly related to any commodity cycles. So we are manufacturers of cocoa butter equivalent, which is a more technology and formulation-driven business, not a commodity business. And hence, we are like more solution-oriented rather than a commodity-linked business.
- And our customer relations are more application-specific and technical. So once we have developed the product with our clients for their formulation, so the customer happens to be there for a longer term. So overnight changes in any of the commodity cycle will not hamper our demand or pricing model for our business because our raw material base is very different than cocoa butter raw material.
- So that will be volatile because that is a commodity and our raw material prices are sustained because we are not a commodity business. We are doing a very niche, manufacturing a very niche technical product for our customers.
- Kaushik Mohan:** What is the average volume prices that we are selling now? Is it around the range of INR 550 something around? Is that right?
- Ekta Soni:** So it is in the same range what we have been selling to our customers. So we are doing cost plus margin basis business model. So our product prices are similar.
- Kaushik Mohan:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Ninad Sarpotdar from Aditya Birla Money. Please go ahead.
- Ninad Sarpotdar:** Congratulations on a good set of numbers. Just two-three questions. First, that did we do any volumes from the upgraded facility and any volumes from the Dekel Group in these quarters?
- Ekta Soni:** So sorry, you need volume numbers for what?

- Ninad Sarpotdar:** I mean I just wanted to understand that has the new upgraded facility of 12,000 metric tons and the JV with the Dekel Group has any contributions to the top line in current quarter?
- Ekta Soni:** So that upgraded 12,000 capacity it's currently in the process. So that facility expanded capacity will be available from the Q1 onwards to the company. And yes, we have also started our batches with Dekel and we are in the process of doing that.
- Ninad Sarpotdar:** So during current quarter, no contribution from that as such, right?
- Ashok Jain:** Yes. Dekel, we have started the revenue from it.
- Ekta Soni:** So we have minor contribution, which is there from the Dekel as we have just started our ramp-up with them.
- Ninad Sarpotdar:** Okay. And my second question is, so you have planned a lot of new capex and backward integration projects. So on the margins front, you have been guiding on a very conservative basis of around 25 percentage. But can we see these margins stabilizing or becoming the new normal or any more accretion from new product lines that you are launching, maybe the cocoa butter alternatives and the PMF backward integration and the Burkina Faso projects?
- Ekta Soni:** See, sir, we believe that the current margin, which is around 25% to 27%, which we always share and guide in the range happens to be on a sustainable mode. But of course, we are in the trajectory to improve over the medium term and in the longer term because there are multi-level strategies.
- We are coming up with projects, which is related to forward and backward that should really help in improving the margins, and we are working for that. But you can take the current margins, for example, as a more sustainable level. And as far as the business, we are working we are doing everything for that.
- Ninad Sarpotdar:** Okay. Got it. Just one last question, just needed some clarity on my understanding that the new 75,000 MTPA of CBA facility is the new product that you were talking about with a lower working capital cycle. And the 75,000 MTPA of solvent fractionation is in line with the existing 52,000 -- I mean, the similar technology and similar kind of output facility, right?
- Ekta Soni:** So that 75,000 is related to the new product of CBA, which is ESOS and the other products what we have mentioned in the project details. So both the capacities are for each other. It's not related to the existing project.
- Ninad Sarpotdar:** So both are new?
- Ekta Soni:** Yes. So those will be the new products coming out of both assets, the new solvent fractionation capacity and the ESOS one. So both the projects are related to each other in terms of capacity and output.
- Ninad Sarpotdar:** So just to get clarity, it's not fungible. It's a completely different line, right?

- Ekta Soni:** No, it is fungible. Of course, we can run any exotic seed in that dedicated new solvent fractionation capacity, but that will be more used for the new 75,000 CBA capacity, which we have announced.
- Ninad Sarpotdar:** Okay, got it. Thanks.
- Moderator:** Thank you. Our next question is from the line of Rehan Saiyyed from Trinetra Asset Managers. Please go ahead.
- Rehan Saiyyed:** Thank you for the opportunity. So my first question is around, like, I wanted an understanding regarding cocoa butter...
- Moderator:** Sorry to interrupt, you're not clear.
- Rehan Saiyyed:** Okay, may I repeat my question again?
- Moderator:** Yes, but I request you to be a little more clear.
- Rehan Saiyyed:** I want some understanding regarding the CBA specialty that you have put it now. So you have done forward integration toward 75,000 tons per annum for cocoa butter alternative. So how does the margin profile in competitive landscape for CBA differs from your CBE. And do you intend to target as the same for Fortune 500 client base with this product?
- Ekta Soni:** The clients in the market for CBA products are also same. It is going to be used in the food sector. It could be in chocolate, it could be in confectionery, it could be in other HoReCa kind of a market. So the applications of both the products are similar only into the food sector, and we will have good margins in that product line also as we are doing in the current business model.
- Rehan Saiyyed:** Okay. And my second question is around your Dekel partnership in Brazil that you have done. The first commercial production that has the Dekel partnership in Brazil was in quarter 3 FY '23. So could you provide a road map for the expected revenue contribution from this partnership in FY '27? And what are the logistical advantages of manufacturing in Brazil versus exporting from Raipur plant?
- Ekta Soni:** So the advantage is more related that we will have a geographical presence in that region because LatAm being the huge market and is the biggest consumption for this. So the advantage is more for being the local presence there and cater to all customers, not just the top 5, top 6 customers in the world. So the idea is that to be there, and it will help in a lot of facilities and everything.
- Also the idea of getting into the projects like CBA or Solvent fractionation 3 is to increase the output product of stearin or the hard fat, which we already make. So overall, if you see the capacity or the projects which we are coming up with is related to the hard fat only. So we are going to have a very diversified raw material base in those projects. We can also use our olein as a captive consumption to make the stearin and the cocoa butter equivalent.
- So the overall idea to have that project is to make more and more production of the stearin-based fats and more cocoa butter equivalent, which has a wider application and different usage in the

industry as well. So that is going to increase the output of our production capacity of stearin and CBE.

Rehan Saiyyed:

That's it from my side. Thank you.

Moderator:

Thank you. Our next question is from the line of Akhil Parekh from B&K Securities. Please go ahead.

Akhil Parekh:

Thanks for the opportunity. Many congratulations on a good set of numbers. My first question is just a clarity, right, on the margin front, the gross profit per kg is the right metric or margin is the right metric to evaluate our business. I believe that in one of the questions when you replied, you said you work on a cost per basis model. So GP per kg would be the right number to look at, right, rather than gross margin?

Ekta Soni:

EBITDA level.

Akhil Parekh:

EBITDA per kg?

Ashok Jain:

Yes, we see the overall as a whole business EBITDA. So you can take the EBITDA which is a sustainable margin.

Akhil Parekh:

No, I got it. But is it the per kg which is the number which we should look at? Margins may fluctuate, right, I believe because we are in a processing business and because of the fluctuation in the raw material, the GP margins can fluctuate and EBITDA margins can accordingly fluctuate and hence, per kg is the right metric. That's my understanding. I mean please clarify if I'm wrong.

Ekta Soni:

At EBITDA level, we have actually maintained our margins. So that fluctuation is not on the EBITDA part. So you can take EBITDA margin on a per ton basis.

Akhil Parekh:

Okay. Yes. So per ton-wise, how it does vary on a Y-o-Y basis, EBITDA per ton?

Ekta Soni:

Because we deal with the different raw materials and there are different yield and parity of individual feeds, so there is no that calculation, because we see on a blended level basis. For you to take that assumption will not get you on the right calculation because there are different raw materials we deal with and there are different yields and different products and different parity also for all those seeds, we do. So on a blending level, you can see that particular margin on the business level.

Akhil Parekh:

Sure. Second question on the capex front, INR 460 crores, of which almost everything will be on internal accrual basis or where we will need to raise some capital?

Ekta Soni:

So, sir there are no immediate plans, you know, to look for capital external financing, be it debt or be it equity. We are more relying on our internal accruals because we have good cash accruals, and we are going to be have one. So -- but the options, we will look when the time is going to be right. But as of now, there are no immediate plans for external funding.

- Akhil Parekh:** Sure. And just last two more questions. One is on the other income part, right? There is a sharp jump in other income in 3Q. Any specific reasons for that?
- Ashok Jain:** This was the forex gain loss on the import side, which we have imported our shea nuts and other butters in the last quarter. And we mentioned this is a difference of what we have paid and what we have goods when reached India. So there is a forex gain loss on the import side majorly.
- Akhil Parekh:** It's more of an inventory gain, is that understanding?
- Ashok Jain:** Yes, you can say, it is a part of forex. It is not what we have paid and what we have booked for as a purchase. So, there is a difference of the total.
- Akhil Parekh:** On the forex side, you said. Sorry, I lost...
- Ashok Jain:** Yes, forex side, sir.
- Akhil Parekh:** Okay. Got it, got. And lastly, on the value-added product contribution, if you can give that number for the third quarter.
- Ekta Soni:** Value-added portion to sales is around 75%, which is like includes our value-added products like the stearin and the cocoa butter equivalent.
- Akhil Parekh:** Okay. 75%?
- Ekta Soni:** 75% to sales approximately.
- Akhil Parekh:** Got it. That's all from my side and best wishes for coming quarters.
- Ekta Soni:** Thank you, Sir.
- Moderator:** Thank you. Our next question is from the line of Kumar Saumya from Ambit Capital. Please go ahead.
- Kumar Saumya:** So, Ekta, my first question is on the capacity expansion side. When you say refinery capacity for expansion of 90,000 tons, does it mean the existing 45,000 tons of refinery goes up by 90,000 tons?
- Ekta Soni:** No, that will be the additional 90,000 MTPA capacity, Kumar. So beyond 55,000 MTPA capacity, we are going to add 300 metric tons per day capacity in the refinery. Which will be linked to our new capacity expansion of 75,000 tons of fractionation and ESOS.
- Kumar Saumya:** Okay. Got it. So this refinery used to feed the 75,000 MTPA expansion that you have?
- Ekta Soni:** And other specialty products. So that will help in that.
- Kumar Saumya:** And should one look at the 75,000 MTPA capacity separately? Or is it fungible? Like if I'm looking at 52,000 tons fractionation today or by the end of this year, so that will add another 75,000 ton over it or 150,000 tons over it?

Ekta Soni: So see, you need to understand that 75,000 MTPA of both CBE and SF3 is one plant, if you can say. So that the capacity and the production of stearin, of course, is going to increase accordingly. So it will be beyond 52,000 tons, we are adding 75,000 capacity. So that will only help in production of the stearin and the CBEs accordingly. The production is for the same product through different process.

Kumar Saumya: Okay. So we should look at it as a way, like 75,000 MTPA additional is coming, either you can make CBA or CBE?

Ekta Soni: That is right, the way to say.

Kumar Saumya: And yield is same, either we make CBA or CBE, the yield will be same?

Ekta Soni: Yes, it would be slightly better in that process.

Kumar Saumya: Got it. Got it. And, Ekta, in your initial question, you said the 81% growth in the 9 months is driven by 65% growth in volume and 15%, 16% on value. Did I get it right?

Ekta Soni: No, sir, I guess the 73% is the Y-o-Y growth, if I'm not wrong.

Kumar Saumya: Okay. No, I was looking from a 9-month perspective.

Ashok Jain: Sir, 9 months is 73%.

Ekta Soni: 73%.

Ashok Jain: Out of the 73%, 90% is the volume growth. Rest is inflation and other entities.

Kumar Saumya: Okay. Got it. And sir on the working capital side where are we currently?

Ashok Jain: Currently, working capital cycle is 120 days.

Kumar Saumya: 120 days on sales or cost?

Ashok Jain: On sales.

Kumar Saumya: Okay. And this was compared to H1 levels of roughly 200 days, right?

Ashok Jain: H1 was around 150, 160 days.

Ekta Soni: Working capital days was 95.

Ashok Jain: And currently, working capital cycle is 120 days. The H1 was 90 days.

Kumar Saumya: H1 was 90 days. Got it. And lastly, sir, on the Mexico plant, what would be the volume that you're looking for this year?

Ashok Jain: More than 2,000 tons, we hope that this year will be delivered approximate.

Kumar Singh: More than 2,000 tons from there. And sir, lastly, on the 9-month number, what would be the CBE contribution?

Ekta Soni: CBE contribution to sales is around 30%.

Kumar Saumya: 30%? Got it. Thank you.

Ashok Jain: Together around approximate 75% value-added product. Approximate.

Kumar Saumya: 75% is value-added, CBE is 30%.

Ashok Jain: CBE is 30%.

Kumar Saumya: Got it. Thank you.

Moderator: Thank you. Our next question is from the line of Aashish Upganlawar from InvesQ PMS. Please go ahead.

Aashish Upganlawar: Yes. Thank you so much for this opportunity. Ma'am, I'm looking at your company for the first time in so much detail. Just wanted to understand from you on the working capital side because in the last year published balance sheet, I could see that cash conversion cycle of the core operating -- core working capital, which is debtors, inventory and payables, that was around 500-odd days of sales. So what is the other part which you're saying has come down to 125 days on the working capital net basis now. So that is what I wanted to understand.

Ekta Soni: So, Sir, which year's balance sheet or financial year you are referring?

Aashish Upganlawar: This is March '25 on screener, I could see that the core working capital is around 500.

Ashok Jain: On balance date, but you should take as an average inventory days because we procured the raw material for 20 days for the whole year. So at the end of the balance sheet it's seem high, but the average is still around 150 days, 160 days, 90 days because once we bought the inventory, it is gradually monthly reduce the inventory level. So we keep around 150 days inventory as you can take it.

Aashish Upganlawar: Okay. On a regular basis, you're saying 150 days of inventory is there already?

Ashok Jain: Yes. Inventory and other things reduce.

Aashish Upganlawar: Okay. So on net basis it comes to about 125 days...

Ashok Jain: Right now 120 days because sir the inventory which is at the end of balance sheet comes to revenue next year.

Aashish Upganlawar: And you mentioned something that the working capital cycle would further improve because of the new product, is it new product that you...

Ashok Jain: Yes.

- Aashish Uganlawar:** So how is it likely to move maybe over the next couple of years?
- Ashok Jain:** So you can take 90 to 100 days working capital cycle days going forward after this new capacity, it will be reduced around 10, 20 days more. So 2 to 3 months we required the inventory approximately.
- Aashish Uganlawar:** Okay. And lastly, I mean, since it's a brief call your margins, I mean, if I look at history, it's gone from 25%, 28%. Again, it came down to 15%. And now it's again -- I mean, over years, it's come down to again, 25%, 27%. So is there a cycle like that or because you mentioned that these margins are sustainable. So what is the change that has happened all these years?
- Ekta Soni:** So because the new -- we have come up with our new capex line in the last year 2024 July. And the utilization has come up well from the plant and that's why we can see the better margins. Also, we have improved the product mix. We have improved the share of value-added products.
- And because of the operational excellences and the economic leverage, we can report a very good margins. Those margins, which was related to a couple of years back, which was around 16%, 17%. So that was on a low utilization basis, which was there and we were coming up with a new project. So the margins which we are reporting now are sustainable on that level of 25% to 27%.
- Aashish Uganlawar:** Sure. Thank you so much. I will take it in detail maybe one-on-one meeting maybe some time. Thank you so much.
- Ekta Soni:** Thank you, sir.
- Moderator:** Thank you. Our next question is from the line of Jainam Doshi from Kriis PMS. Please go ahead.
- Jainam Doshi:** Congratulations on an excellent set of numbers. I just wanted to understand like the price of cocoa has corrected by 60% in a year. And I'm aware that we are like not directly related to the commodity. But if the price of cocoa has come down, is it necessary for the price of cocoa butter itself as a commodity per se to come down in the same proportion or does the metrics work other way?
- Ekta Soni:** So you're asking for cocoa butter or cocoa butter equivalent?
- Jainam Doshi:** For the cocoa butter?
- Ekta Soni:** So that is a commodity that is linked to cocoa beans and it will act accordingly. We can tell you for cocoa butter equivalent.
- Jainam Doshi:** So if you could throw some light on the cocoa butter equivalents also, then that would be helpful?
- Ekta Soni:** Yes. Though, we are maintaining our prices because it had gone to \$25,000, \$30,000 of cocoa butter price at one point during the last 2 years. But our prices were still sustainable because we were doing a cost plus margin basis model. And today also it is the same. We are doing that particular model only for our products and also for cocoa butter equivalent. So there is that no impact on our pricing model, whether the commodity prices are getting increasing or reducing.

- Jainam Doshi:** Okay. Got it. So next would be like the EU deforestation rules that have been like postponed until December 2026. So like does it have any impact on our sourcing of raw materials or is it only pertaining to the cocoa?
- Ekta Soni:** So that is only related to, I guess, cocoa because that regulation applies for cocoa beans, I guess. So there is nothing which is there for our raw material base we are like buying from the forest. It is not a farm product or a crop product, which we are buying. So -and we are not cutting trees and buying our thing. It's a forest wasted products what we are buying from the deepest forest of India and West Africa. So hence, there is no impact of that regulation in our business.
- Jainam Doshi:** Right. Got it. So the current mix of value-added products, as you mentioned is around 75%. So how do we see this mix inching up like in next 1 or 2 years going ahead?
- Ekta Soni:** So we intend to do approximately 85%, 90% of our sales with respect to value-added going forward, our core products, the soft fats, which is also going to be converted into a value-added product. So the idea and the intent approximately to do 90%, 95% of the business towards value-added product.
- Jainam Doshi:** Okay. And with the total capacities coming on stream in next 3, 4 years, do we see like clocking a revenue of around INR 4,500 crores, INR 5,000 crores based on the capex and the turns which we have launched?
- Ekta Soni:** So the asset turn, what we have said is right for the project which we have announced forward related integration project and we can see a very good growth going forward for the next 5 years. So this capex will suffice our growth for the next 5 years. So you can have that calculation accordingly.
- Jainam Doshi:** Okay. Got it. Thank you. All the best.
- Moderator:** Thank you. Our next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.
- Darshil Jhaveri:** Hello. Good evening. Thank you so much for taking my question. Firstly, congratulations on a great set of results. Hopefully, I'm audible.
- Ekta Soni:** Yes, sir.
- Darshil Jhaveri:** Yes. Hi, sir. So I just wanted to ask in regards to like our capex, our capex is going to come in phased manner online. So will it come like in FY '28 or how will it come online in first place?
- Ekta Soni:** Yes. So there are four projects which will be commencing in a phased manner. So we intend to commence all our production capacity approximately by the financial year FY'28. So over the next 2 odd years, 3 years, all the capacity will be commenced. And as and when the capacity starts getting commercialized, we are going to update you on that particular capacity.
- Darshil Jhaveri:** Okay. So ma'am, in FY'27, that is the next year, whatever revenue growth we can have is from the debottlenecking, right? So any kind of guidance that we can give for what FY '27 can be in

terms of revenue because there will be a 30% increase in capacity, right? So can we assume a commensurate increase in revenue?

Ekta Soni: We, of course, are having good growth with respect to the capacity and we will have ample of room 30% in the new capacity, 15% still available in the existing capacity. So almost 40% to 45% growth is still there to be done in the next 1 or 2 years. So we are looking for, again, a good number for the coming year as well for a good growth.

Darshil Jhaveri: Can we quantify it like in a percentage range term also, that would also be okay?

Ekta Soni: So you can take approximately range on and above 30% that should come.

Ashok Jain: We will update you on that.

Darshil Jhaveri: Okay. Fair enough. Fair enough, ma'am. And the capex would be like, as you said, FY'28, so that will be first phase, second phase or like how would it be like full might we get completed by FY'28, '29, right? Like that would be -- if we could have some more detail on that, like how much would Phase 1 be kind of like?

Ekta Soni: So Phase 1 manner would be -- we have started doing our projects in West Africa, and we have bought land here in India. We have identified land in Burkina Faso, and we are already in the verge of ordering all the equipment and related things for all the capacities. So all will go simultaneously parallelly each other. So we can have the capacities coming and rolling maybe next 1, 1.5 years, we can have 1, 2 capacities ready and maybe in the next 2 or 3 years, we can have all our capacities ready.

Darshil Jhaveri: Okay. Fair enough. Thank you so much. That's it from side. All the best.

Ekta Soni: Thank you.

Moderator: Our next question is from the line of Janhvi Shah from Share India. Please go ahead.

Janhvi Shah: By the way, congratulations on the good set of numbers. I had a bit of technical questions on the capex that you announced. I didn't understand as to exactly where does this solvent fractionation plant sit and same with this CBE one. Is it helpful for the existing plant? I understand this is entirely a new product that we are launching. And for that, we need this. So is either of these useful in the already CBE in the plant that we already have?

Ekta Soni: Is a total new capacity. We actually have sufficient capacity for an existing facility of 52,000 tons. So all the new capacities or the projects which we have announced is for the new product and production of our stearin fats and cocoa butter equivalent specialty fats and butters. So that kind of production.

Janhvi Shah: And how is CBA different from CBE first? And second, for these 2 plants, our raw materials are going to be different. You mentioned that. How are they different? Like we are converting soft fat to hard fat. So we'll use the only that we are already produced and maybe we'll get some more from elsewhere. But at the same time...

- Ekta Soni:** Yes, that is right. So we are going to do a captive consumption of our olein product as well, as well as along with our olein product, we can also have some soft fraction being quoted through other sources. So the idea of that CBE is to have a diversified raw material base and the products, which can be offered to all our clients because it has got the same applications and acceptability of the product in the food market, and it has also got a huge demand.
- So that is why we have diversified our raw material base and the working capital also will be reduced significantly in that particular business, because we are going to use the captive consumption of our olein and as well as some of the soft fractions through some other sources.
- Janhvi Shah:** Okay. So for this, we wouldn't need the refinery or the first 2, 3 stages. We just require the solvent fractionation. We'll get the only put that and we will get the hard part out.
- Ekta Soni:** Yes. So we will need the CBA facility. We will need the fractionation and we will need the refinery. So we will not be needing the selling and the extraction facility in this.
- Janhvi Shah:** And that's why the cycle is lower.
- Ekta Soni:** Yes.
- Janhvi Shah:** Okay. And so like right now, we are at a capacity of 52,000 MTPA at the end of the year. We are looking at a capacity for CBE at 75,000 MTPA, which will come online, I think, in the next 2 to 3 years. Do we have that demand from the market?
- Ekta Soni:** Yes, of course, we have that demand visibility for the products because there is a huge demand supply gap in the current industry for the products which we are manufacturing because all these products are very niche and the applications are very formulated and solution based on the customer applications. So of course, like we have been expanding more than 10 times we have expanded in the past.
- And because of the demand only and because of the visibility only, we have been expanding. And these projects we have taken keeping that in the sense also that will help us diversify the raw material base and have a better product portfolio in the basket of Manorama.
- Janhvi Shah:** Thank you so much. And sorry, just one last question. Any of these projects will have like a margin implication for us, it will improve our margins?
- Ekta Soni:** Yes, of course, that is the reason we are taking all these steps towards increasing and our margin trajectory.
- Janhvi Shah:** Any guidance for the same?
- Ekta Soni:** You should take current as a sustainable margin. So any improvement we are going to guide you further. So we'll be there every quarter. So we'll be communicating to you quarter wise only.
- Janhvi Shah:** Thank you so much.
- Ekta Soni:** Thank you.

Moderator: Ladies and gentlemen, due to time constraint, we take that as a last question. I would now like to hand the conference over to the management for closing comments.

Ashish Saraf: I sincerely thank all the participants for joining us for the Manorama Industries Q3 and 9M FY'26 Earnings Conference Call. Our company is strengthening its reputation as a trustworthy and leading provider dedicated to addressing the increasing demand for sustainable cocoa butter equivalent, cocoa butter alternatives, specialty fats, stearin and butters for the whole world. Business is business. Business always has risks, and we are trying with a sustainable way to overcome all the challenges being thrown at us.

We strive to be the preferred supplier of specialty fats and butters, for both our global and domestic customers by focusing on research and development cutting-edge technology, and expanding our international presence and national presence by enhancing our capacity, backed by a strong balance sheet. I thank all our stakeholders and everybody for reposing their faith on us, and they are giving us their trust and considering us for their presence. Thank you. Thank you very much.

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