



Madhusudan Masala Limited

Q3 & 9M FY26

POST EARNINGS CONFERENCE CALL

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Management Team

Mr. Rishit Kotecha - Chairman cum Managing Director

Mr. Hiren Kotecha - Whole Time Director

Mr. Kirit Dharaviya – Chief Financial Officer

Mr. Sarvesh Gohil - Statutory Auditor

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q3 and Nine Months FY26 Post Earnings Conference Call of Madhusudan Masala Limited. Today on the call from the management team, we have with us Mr. Rishit Kotecha, Chairman cum Managing Director; Mr. Hiren Kotecha, Whole Time Director; Mr. Kirit Dharaviya, CFO; and Mr. Sarvesh Goyal, Auditor.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the period ended December 2025, the growth perspective and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Rishit Kotecha:

Yes, thank you Vinayji. Good afternoon, everyone. I hope all are well and thank you for joining us today for the quarter three results of our Madhusudan Masala Limited.

On behalf of the management team of Madhusudan Masala Limited, myself Rishit Kotecha, Chairman cum Managing Director, pleased to welcome you to the quarter three and nine months of financial year '26 earning discussion. We truly appreciate your continued interest and support.

I will now briefly take you through our quarter three and nine months FY26 financial performance. Our quarter three financial year '26 marked a strong operational and financial quarter, reflecting the scalability of our business model, improving mix and disciplined execution.

Revenue for quarter three FY26 year stood at INR 763.2 million, and a growth of 20.3% year-on-year growth and a strong sequential upstream driven by high volumes, improved capacity utilization and strong traction in branded products. Our EBITDA has also been increased to INR 82.5 million, a growth of 79.6 % year-on-year, with EBITDA margin expanding to 10.8%, which is up by 357 basis points year-over-year, supported by operating leverage and better product mix.

Also, our net profit for the quarter was INR 47 million, which is up by 104%, which is almost double year-on-year, with net margin improving to 6.2%, which reflecting our improved profitability across the value chain. And financial performance for the nine months period as below, like revenue stood at INR 1,945.4 million, reflecting a 19.3% year-over-year growth, while EBITDA rose to INR 223.1 million, a growth of 40% year-over-year, with margin improving to 11.5%, while net profit increased to INR 123.6 million, which is also up by 40% year-over-year, demonstrating a strong earning momentum.

Operational and business highlights. During the quarter three of financial year '26, our capacity utilization has been reached to 98% from our Jamnagar unit, and at Rajkot unit, we have utilized 100% of our capacity, underscoring the strong demand in operational efficiency.

We continue to strengthen our brand portfolio, with branded product contributing more than 70% of total revenue in nine months FY26, and non-branded still at 30%. While total sales volume during the nine months FY26 stood at 16,983 million metric ton, with 1,187 million metric ton from branded products, and we sold 106 million packets, reflecting a good retail penetration.

Our distribution footprint expanded meaningfully, with presence across seven plus states, over 42,500 retail outlets, 6,400 plus wholesalers, and 358 plus distributors as of December '25.

Strategic progress. As we continued investment in capacity expansion, including capacity addition during the quarter three, and progress on our greenfield expansion project in Jamnagar-Rajkot highway which will add 6,000 metric ton in phase one, positioning us for the well-future growth. In quarter three financial year '26, we added 1,200 metric ton of manufacturing capacity at our Jamnagar facility, through a brownfield expansion.

Overall, quarter three- and nine-months financial year 26 has reflected a strong execution, margin expansion and steady progress on our strategic priorities. As we move forward, our focus remains on scaling the branded sales, expanding our pan-India distribution, enhancing capacity and operational efficiency, delivering consistent and profitable growth.

With this, I will now hand over the call for further discussion in questions and answers. Thank you.

Moderator:

Thank you, sir, for your detailed opening remarks. So, all those who wish to ask a question, may use the option of raise hand, or just drop a message on the chat window, and we'll invite you to ask the question. We'll take the first question from Resha Mehta. Resha, you can go ahead, please.

Resha Mehta:

Yes, thank you. Good afternoon, sir. So, my first question was, you know, so there was a report, which said that China has become very active in the chilli powder space, with chillies basically, and that could depressed prices in the Indian markets also. So, since chilli, if I understand correctly, is close to one third of our revenues, right? So, how does this impact us? So, let's say if the chilli prices come down, right, the commodity prices come down, then how does it impact our revenue and margins? So, because from a value growth standpoint, do we need to pass on the price cuts to the consumers, which I think we will have to, assuming competition also takes price cuts? And then how do we think about EBITDA margins? On the margin level do we try to maintain the EBITDA per ton or do we try to increase the EBITDA margin? Basically, just trying to understand like with this example of chilli, inflationary environment or deflationary environment how does this impact the revenue and margins, when the commodity undergoes inflationary or deflationary cycle.

Rishit Kotecha:

Yes, Reshaji, your question is quite controversial, because the example you gave of China, that there are some global issues in China. Actually, China is a net importer of chilli from India. China is not an exporter. We export to China from India. So, there can be no pressure from China on chillies. And second thing is in the current season, whether it be chilli or turmeric or coriander, i.e. all our core products in spices for CTC, all the commodity prices are at their peak right now, and there is a lot of demand, and the production from the farmers, the material that was coming in the season, and what is coming now, the quality is also varying a lot. So, the prices have increased a lot in the last three months. Almost, you can say that in chilli, the quality has increased by more than INR 100 per kg. In turmeric, the price has increased by INR 25 to INR 35. In coriander, the price has increased by INR 25 to INR 30.

So, this spices product is completely driven by the production of India. It is not that we import it from a foreign country and settle it somewhere in the price. So, this year, our prediction on the price at the

time of procurement, when we did our Q1 meeting, even then, when we did our inventory in a very large amount, everyone was asking why we did such a big stock. So even at that time, we had some projections that this year the price will be on the upper side after the season. So, we had maintained our inventory in the same way. So as soon as we take 50% to 60% in the inventory in the season, then if the price comes down, then we let the inventory remain the same. And the raw material available at the current market price, we procure it and process it and sell it. And if the price increases by more than a limit, then we start procuring from the market. If we get information that the prices will increase from the current level in October, then we start procuring it in October as well. So, we sell it by processing it.

So, in this way, we are able to maintain our EBITDA margin at an optimum level throughout the year. We are able to sustain our EBITDA margin in this way.

Resha Mehta:

Okay, I will take your point that China is a net importer. But I don't want to talk specifically about the example of chilli. If there is any commodity, because another company is also listed on the main board, Orkla India. So, what they are saying is that there has been a deflationary environment for the past two years. After COVID, there was a big inflationary environment where everyone's prices increased. And then for the past two years, the prices have been largely muted. So, my question is that if there has been a deflationary environment for the past two years, then is it that we are seeing a price uptrend in commodities? So, you were saying that there has been a rise of INR 100 or INR 25 to INR 30 in coriander and chilli. But what you are saying is, it is versus what time period? Is it in comparison to the season one year ago? Or what time period? So, will we be able to reference that the inflationary cycle is starting now? Or are we still in the deflationary cycle? Or are we still in the stable prices cycle?

Rishit Koticha:

Actually, we are still in the inflationary cycle. The price comparison I told you is for particular third quarter. So, for comparison, I told you the price hike that was the price at the end of quarter two and the price at the end of quarter three, I told you the price difference.

Resha Mehta:

And sir, the prices that started two years before the deflationary cycle, have we reached the level of the prices or have we already gone higher than that, or are we still below that?

Rishit Kotecha: Yes, for this, for historical prices and more futuristic prices, Hiren bhai is a better person to give your answers. So, I will request Hiren to answer your question.

Hiren Kotecha: Hello. Hello. Can you hear me? Can you hear me?

Moderator: Rishitji, you will have to mute. There is an echo. Yes, Mr. Hiren, please go ahead.

Hiren Kotecha: Yes, are you hearing my voice?

Moderator: Yes sir.

Hiren Kotecha: Yes, ma'am. Hello.

Resha Mehta: Yes, yes, sir.

Hiren Kotecha: Yes, you were asking about the rate before two years, if we compare the two years, then the price of chilli has become almost the same. After COVID, the market went up it is good at that level. Turmeric is also at right level. If we talk about the last two years, then the market went down a lot. In comparison, the crop was also good, according to the harvesting. And this year, the crop of chillies, and coriander is less. The crop is also less in turmeric. So, due to starting of this new season the rates are going up.

Resha Mehta: Okay. And sir, what do we normally do? I mean, from a pricing standpoint -- this is my last question, sir. If we look at the deflation cycle for the last two years that after COVID, the prices went up and then went down. So, what do we do in our prices? Do we have to take a price cut? And due to this, the revenue growth in the last two years was largely volume growth, or was it some mixed-led growth?

Hiren Kotecha: According to the rate, you are right. But in terms of volume, we are developing the market. We have also covered new areas. We did Maharashtra. So according to that, our market has increased a bit. And according to the rate, our turnover is 100% less. But what happens is that to set the margin, as sir said, we take about 50% of the procurement. Then the market increases. Even if the market goes up, we settle for 50%. Even if it goes down, we can do it. Accordingly, our planning continues.

Resha Mehta: Understood. So basically, if there is a deflationary environment, then we will also have to reduce the price, right to the end consumer?

Hiren Kotecha: Yes, it has to be done according to the market rate. The consumer rate goes down.

Resha Mehta: Sir, when we maintain margins, do we try to maintain the EBITDA per ton or do we focus more on percentage margins? Because it's like a commodity business, right? If the price of turmeric is low, then we have to pass on to the customer. So how do we maintain margins at that time?

Hiren Kotecha: This happens on our procurement, we maintain the margin, because we have started planning already for the New Year. So, what happens is that we know what the crop will be like in the future, what will be the price level, how far it can go up, how far it can go down. So according to this, we stock. So basically, to set this margin, we regularly, if you see, recently, we have increased the rate in chilli powder, day before yesterday. So, what happens is that our EBITDA is settled according to that. If our margin is going down, then we increase the rate. Then we feel that our margin in the actual market is settling, or we want to increase the customer so, looking at our profit margin, we give some scheme to the customer on an extra commission or something else to increase the business.

Resha Mehta: Sir, lastly, as you said that prices have increased in chilli powder. So, have we increased the price in turmeric or coriander as well?

Hiren Kotecha: Yes, we have. In turmeric, we have increased it by INR 25 - INR 30 per kg. In coriander, we have increased it by INR15 - INR20. In chilli, we have increased it by INR60 - INR70.

Resha Mehta: Okay. Alright. Thank you so much.

Hiren Kotecha: Thank you.

Moderator: Thank you, ma'am. We will take the next question from chat. This question is asked by Rehan Sayyed. His question is management has reported that Unit 1 and Unit 2 are operating at 98% and 100% capacity utilization, respectively. With the 6,000 metric ton phase 1 greenfield expansion currently under construction in Jamnagar, what is the specific targeted commissioning date and how does the company plan to service the projected 30% CAGR demand in interim period before this new capacity comes online?

Rishit Kotecha:

Yes. Both the units are operating at 100% utilization. You can say Jamnagar and Rajkot both are at 100% utilization. Our new greenfield project it is commencing at Jamnagar-Rajkot Highway which will be operational by the end of September '26. Hopefully, we will start our commercial production from that unit from October '26.

Moderator:

Sir, the main question is that how will you achieve this 30% growth?

Rishit Kotecha:

Sir, we are taking the 30% CAGR projection by 2030. For that, we will focus on geographical expansion. From the existing regions, we get 10% to 12% of organic growth from there. And for more growth than that, we focus on horizontal, vertical expansion. For example, we have a lot of dealers, distributors in North India. So, we are focusing on that. And we are doing deep penetration by executing as many distributors as we can. We have not yet taken UP as a target. As of now we are only supplying in just one or two regions in UP. For example, Mathura has been built. So, there are a lot of other regions that are out of our reach. So, our distributor network will start growing from this quarter. So, growth will start coming from there too. So, in this way, we have planned a growth of 30% by 2030, we will achieve that by increasing our regional presence.

Moderator:

Okay, sir. And he has asked another question. Following the 100% acquisition of Vitagreen products and the onboarding of the 77 Green brand, how much of the current distribution network is now fully integrated? And furthermore, as you aim for 1% total market share in Indian spices industry, is the current 30% CAGR guidance purely organic or does management intend to pursue further bolt-on acquisition to gain immediate access to new regional distribution silos?

Rishit Kotecha:

See, as of now, we are searching for a good -- like as we acquired Vitagreen, if we get an opportunity, then we are open for that. But that will be an add-on for us. We have not counted that in our 30% CAGR, if we will get such a good company then only we will continue our inorganic expansion. If we get a good opportunity, then that will be an add-on to the 30% of CAGR. And for that, our plan, which I have already shared with you, will remain the same. And among all our Vitagreen distributors, we have started working with more than 70% of the distributors. So today we have more than 360 distributors under the umbrella of Madhusudan Group. Madhusudan and Vitagreen together have more than 360 distributors. And within these distributors, more than 42,000 retail grocery stores are supplied our products.

Moderator: Okay, sir. We will take the next question from Amit Agicha. Amit, you can go ahead, please.

Amit Agicha: Good afternoon, sir. Am I audible?

Rishit Kotecha: Yes.

Amit Agicha: Thank you for the opportunity and congratulations for a good set of numbers. Sir, my first question was connected to branding. How much do you spend on branding? What is the budget towards social and digital media? And second question was connected to the hiring. If you have done any new hiring, then which type of companies are they coming from? Are they specifically for marketing or branding? Like are they steps to increase the sales distribution?

Rishit Kotecha: Exactly. First of all, I will answer your hiring related question first. Because recently we have hired a team from a very good company in North. So, we have hired a team for Punjab. Earlier, the team was working with Goldie Masala and Everest Masala.

Amit Agicha: Can you give me a list of names?

Rishit Kotecha: Before that, they worked with Everest Masala.

Amit Agicha: Everest, okay.

Rishit Kotecha: Yes. So now they are working with us. In fact, the entire team of Punjab was working with Vitagreen till 2015. But after that, Vitagreen had no focus of the promoters at that time on the particular spices business. So, the team left. Then we again on-boarded the same team. And now they are doing a very good performance in Punjab. Similarly, we are in talks with a team in UP. The same team was working with Goldie Masala. Currently, they are working with some Swaaditi Masala Brand in Maharashtra. It's a small brand. So, we have almost reached the final stage. So, by February, that team will join us. So, that team will then cover almost 100% of UP.

So, if we get a good team from the big players of the industry, then we prioritize them so that they can easily deploy our dealer-distributor network with our brand.

Amit Agicha: Understood. And for branding?

Rishit Kotecha:

Yes. For branding, our budget is more in the season. For example, our season is from January to May-June, so, we spend 1% to 1.5% of our sales on marketing. Likewise for general marketing, we spend 1% to 1.5% of our sales on hoardings, FM, advertising and such conventional marketing. We haven't spent much on digital marketing yet. But recently, the response we've received from e-commerce sites is so impressive. After working on moving to Quick Commerce, we've seen multifold growth. The next month, I had an average of 50 orders per month. On e-commerce, that number jumped from 50 to 100, so the conversion rate is quite good. This time, we have planned to make a separate budget for digital marketing from Q4. We haven't decided how much we will spend on it yet. We are discussing with many companies how much we can increase our reach with what budget. We will finalize the budget and start working on it.

Amit Agicha:

Connected to this follow up, how much revenue do you have from branded sales and where do you see it?

Rishit Kotecha:

In Q3, our branded sales were 70%. In last Q3, it was 62%. So, in a year, we have increased our branded sales by 8%. We are planning to have 100% branded revenue by 2028.

Amit Agicha:

Understood, sir. Congratulations and all the best for the future.

Rishit Kotecha:

Yes, thank you.

Moderator:

Thanks, Amit. We will take the next question from Sanchita Sood. Sanchita, you can go ahead please.

Sanchita Sood:

Yes, hi. Thank you for the opportunity. Sir, my question was, how much revenue can we make on our current capacity at peak? And once the new Jamnagar facility comes on stream, how much revenue can we make on the total 12,000 metric tons?

Rishit Kotecha:

As of now, our Jamnagar facility has reached 6,000 metric tons. So, if we calculate the price of the current scenario, we are 100% utilized on the same facility. So, you can understand that we can sell a maximum of INR 300 crores on this capacity. What happens is that in many of our production facilities, the majority of our time-consuming process is the RM to SFG process. So, what we do in the season is that we procure the raw material, get it outsourced, and get it converted to SFG. So, our one process gets reduced there and we have to do the packaging from SFG and convert it to FG. So, with this same

Jamnagar facility, we can easily make a revenue of up to INR 500 crores.

Sanchita Sood: Okay, sir. Thank you. And all the best.

Rishit Kotecha: Hope you understand my point.

Moderator: Thanks Sanchita. We'll take the next question from Amit Mehendale. Amit, you can go ahead, please.

Amit Mehendale: Hello. Hi. Thanks for the opportunity. Sir, I would just like to clarify the previous question. What can be our peak revenue after the new capacity comes in October?

Rishit Kotecha: After that our peak revenue can be upwards of INR 600 crores, because there will be 100% in-house production. There will be no need to outsource anything.

Amit Mehendale: Right, sir. We recently started tracking this company. I think there was another CapEx which was planned, which I think was 12,000 metric tons. I'm not very sure. Is that a plan also, phase 2, CapEx?

Rishit Kotecha: Yes, the 12,000 metric tons will be in phase 2. In phase 1, we are starting with a production of 6,000 metric tons. This will be for blended spices. The second phase will be for CTC and other grocery products. The capacity will be between 12,000 and 18,000 in phase 2.

Amit Mehendale: Okay, sir. Let me clarify. Phase 1 is coming in October. When will phase 2 come?

Rishit Kotecha: When phase 1 becomes operational, and we start the commercial production, we will start that after some time.

Amit Mehendale: Do we need to raise any capital for that? Is there any fundraising plan for that, equity capital? Hello?

Rishit Kotecha: We haven't planned anything for fundraising yet. At that time, we will see whether we are going with debt or fundraising.

Amit Mehendale: Right, sir. How much CapEx will it be broadly? We can understand how much EBITDA will come. How much CapEx will there be broadly? Will it be INR 40 crores, INR 50 crores?

Rishit Kotecha: For that, my CapEx is going to be INR 18 crores. We haven't finalized the new unit yet, which machinery we are taking or how much advanced it will be, or how much we will go for automation? We will finalize it after that. But my CapEx for the 6,000 metric tons which has been finalized, will be INR 18 crores.

Amit Mehendale: We have already spent that, we have the capital, right?

Rishit Kotecha: Yes, sir.

Amit Mehendale: Okay, sir. And finally, on the distribution side, on the marketing side, like a participant asked earlier, if we want to keep the growth rate at 25% - 30%, then how, can you give some more granularity and details about the regional distribution, about the new regions & how are we going? How much distribution network we have now, how much will we increase? How many consumer bonds are there on the retail side currently? How many will come in '27 or '28? Any granularity or colour on that would be great.

Rishit Kotecha: Sure. As you see, the presentation that we have given, we have already noted the addition in every quarter, or retail stores or wholesalers or distributors. If you look at that, then in every quarter, somewhere between 2,500 to 3,000, grocery stores are added on an average. At the same time 25 to 30 distributors are added. So, assume that every year, more than 10,000 retail stores will be added. And more than 100 distributors will be added to this. So, these are consistent figures. If I get good support from the team, and a good team is available to me, like we want, then these figures can be more than this. As i have told you a minimum figure, we will add more than 10,000 retailers in a year.

So, as I told you, I have spoken to a team in UP, and we have been onboarding them since February. So, in a quarter, my retail stores can increase from 2,500 to 5,000+ in quarter 4.

Amit Mehendale: Right, sir. And for that, our working capital will also increase. Because if we do this much, to keep the product on the shelf, what do you think will be the impact on working capital, on working capital days.

Rishit Kotecha: In this, my stock, I mean, for inventory, working capital will be needed. Rest, the new market that we are covering, we are going with the super-stockist model. So, in the super-stockist model, my payment is in advance. So there, I don't have any funding requirement.

Whatever projection that I have for next year, according to that, the inventory that I have to store, most of capital will be needed for that.

Amit Mehendale:

Okay, sir. And my last question is on the margins, which I think we spoke about earlier, that when the prices fall, then how does it happen? How much pricing power do we have, and our competitors have? Generally, suppose if raw material prices have dropped by 10%, then the prices of finished goods also similarly drop by 10%? Or how is the competitive intensity generally? Do we have the pricing power or do our competitors have, how is it?

Rishit Kotecha:

Actually, Hiren bhai will answer the question more precisely than me.

Amit Mehendale:

Yeah, I mean, see, I'll just clarify. See, our understanding is that for some products...

Rishit Kotecha:

This is a process. I mean, it's not just Madhusudan Masala that whatever price we take in the market, if the raw material market has fallen, and we decrease our rates it will hit our margins, or if it has gone up, then we will increase and sell our goods. This works in a systematic way. Like, region-wise, like here in Saurashtra, we have Double Hathi brand. Apart from that, there are 2-3 other brands, like Hathi Masala, Adani Spices. So, all of this, our quality, comparatively, the price list updates happen.

So, like if we increase the price, then the other company will also increase. If the other company has reduced the price, then our company will also reduce. So, the price goes up or down not only with the raw material prices, but also, we keep matching it with the competition. So, it's not like if the price of 10% of the raw material goes up or down, then it will be the same in the finished goods. It's possible that in the finished goods, after 15 days, the price will go up or down but only by 2% or 3%.

Amit Mehendale:

Right, sir. Thanks. And my last question, if I may, in the new regions, we give extra commission to the distributors or stockists, right, for distribution? So, how is that happening? Will it impact the margin in the short term for one or two years, when we want to gain market share and it will recover later or we are not giving more discounts or better pricing to the distributors?

Rishit Kotecha:

No, no. Our distributor structure is similar to pan-India. The margins of the distributors are similar region-wise. There is no variation in that, be it of Gujarat, Maharashtra, or any state in the North, the

distributor margin is similar. There is a slight variation in MRP. In the North state, the cost of transportation is higher. So, my MRP is 2% or 3% higher than that of Gujarat & Maharashtra. Rest, the pricing structure is the same.

Amit Mehendale:

But sir, if we have to incentivize the new distributors to sell our goods, otherwise the same distributor is selling some other product currently, maybe.

Rishit Kotecha:

In that, we compete on two fronts. On one front, we have existing well-known players like MDH, Badshah, Everest, with all these players. On the other front, we have unorganized players with high margins and no brand value. So, we compete on both fronts. If we have well-known players, our distributor margin is already higher. So, we can convince distributors easily. Our price-to-retailer, PTR is also a well-established to brand. In comparison to them, our PTR is quite healthy. So, we get leverage from distributors to place with retailers here.

And the unauthorized players we compete on our quality. Our quality is better than unauthorized players. And the pricing structure and distributor structure are somewhere better than any unauthorized players our PTR and commission are similar. So, we don't face any problem to enter the new region.

Amit Mehendale:

Okay, sir. Thank you very much for the detailed explanation.

Rishit Kotecha:

Thanks.

Moderator:

Thanks, Amit. We'll take the next question from Sheikh Mujib Ahmed. Sheikh Mujib, you can go ahead please. We'll move on to Vijay Chauhan. Vijay, you can go ahead please.

Vijay Chauhan:

Yeah. Thank you for the opportunity. So, majority of my questions on the business are answered. So, my question is on the exit run rate side. So, we have done somewhere around INR 195 crores in the first 9 months. So, are we on track to even deliver 25% or 30% guidance for this year? Or we will see some deviation from the target that we have set?

Rishit Kotecha:

No, no. We are not taking any deviation. In fact, we stick at our projected target of 30%. Definitely, we will achieve the target with more than 30%.

Vijay Chauhan: Okay. So, our target of 280 to 300 on a consolidated basis, that we will be trying to achieve, right?

Rishit Kotecha: Yes, already on the track and that will be more than INR 300 crores. As per our confidence seen over the market.

Vijay Chauhan: Right. And typically, in quarter 4 or quarter 3, so quarter 4 is the strongest or the quarter 3 is the strongest as per your experience?

Rishit Kotecha: Actually, quarter 4 is stronger because most of the season of masala starts from quarter 4. So, most of the time quarter 3 to quarter 4 is better.

Vijay Chauhan: Right. Or, have we decided something on FY27? Means, how much revenue on a consolidated basis? If you have decided some internal target or EBITDA margin guidance, would you like to give it right now?

Rishit Kotecha: See, right now, if we discuss about it, then maybe it won't be right. But the guidance we have given of 30% CAGR that will continue, that will be sure.

Vijay Chauhan: Okay. So that's all from my side. Thank you and once again best of luck for the future.

Rishit Kotecha: Thank you.

Moderator: Thanks, Vijay. Yeah. Sheikh Mujib, you can go ahead, please.

Sheikh Mujib: Thank you very much and congratulations for a good set of numbers, sir. I have a couple of questions. Actually, you can say that this is a continuation of the earlier caller. Sir, right now, still we are INR 100 crores short of INR 300 crores target for this FY26 top line, correct? That means, if we see the total growth in the last 9 months also, it is coming around 20%. So, our target is at 30%. So, how we are going to achieve this gap, sir or fill this gap?

Rishit Kotecha: Yes. You are right because in last quarter 4, we have achieved 25%. And also in this quarter 4, we have a dedicated plan for northern states. Like I already mentioned that in UP, we have acquired a team to appoint new distributors in new regions in other part of UP. So that will help us to achieve our target also. And our existing market is also getting carry forward. There were no carry forward stock at our distributor level. So, at the end of quarter 3, the carry forward stock at

the distributors was at the bottom level. So, the supply of January is going to the optimum level. I mean, they are ordering more than the secondary because the price is rising every day. So, to maintain good margins, they are ordering more than the secondary. So hopefully, our quarter 4 will easily reach INR 100 crore plus.

Sheikh Mujib: Okay. You have given very good news. Sir, one more thing is that EBITDA margins, if I compare with Q2, it has been dropped from 14.5% to 10.8%. What is the reason for such a drastic drop in a quarter?

Rishit Kotecha: See, in quarter 2, our revenue was quite dropped. And at that time, the inventory of quarter 1, we did not procure much in quarter 2. So, we processed the raw material of our inventory and sold it. So, our margin was quite good. Now in quarter 3, the price has risen a lot. So, to maintain our inventory level, we have procured at current prices in quarter 3. That's why our margin is consistent compared to Q2. But overall, we have improved a lot in quarter 3.

Sheikh Mujib: What we can expect, sir, in coming quarters, what will be the margins? Sustainable margin, it will be around 10% - 11% or...?

Rishit Kotecha: Yeah, for the entire financial year, the EBITDA Margins will be between 10.8% to 11%.

Sheikh Mujib: Okay. Sir, earlier, just in this concall, you have told that you are planning for a INR 600 crore top line with the CapEx. Is this with the 6,000 metric ton greenfield expansion what you are doing or with the 12,000 metric ton?

Rishit Kotecha: No, INR 600 crore revenue is for 6,000 metric ton greenfield and existing unit only.

Sheikh Mujib: Okay. Sir, with the addition of the new capacity in this quarter, I think around 1,000 plus something you have added, right? With this one, is the demand what we are getting from the outside, are we still giving for outsourcing or the internal capacity is fulfilling the requirement?

Rishit Kotecha: No. We still have to use the material for outsourcing because our capacity is not yet sufficient to process the entire categories.

Sheikh Mujib: Okay. Sir, one more question. How are the chilli prices now compared to Q2? Because in the Q2, I think -- Q2 or Q1 it was, that means the prices were very low. But you told in the last quarter that the prices

have been significantly improved. How are you seeing the trend in this quarter?

Rishit Kotecha:

Yes. The average sell price for our chilli powder was INR 174 per kg in Q2. And in Q3, the average sell price of chilli powder is INR 241 per kg. So, you can see the difference like more than INR 65 per kg.

Sheikh Mujib:

I think that one is being reflected in your bottom line also because bottom line has been increased by 40% whereas the top line is around 20%. I think EBIT...

Rishit Kotecha:

Yes, but our quantity wise selling has been also increased.

Sheikh Mujib:

Okay. Okay. So, in Q4, because now I think around 20 days have passed, are these prices being sustained or are you seeing any pressure?

Rishit Kotecha:

As of now we are seeing that price will be not only sustained but it will go more higher side. For our chilli, turmeric and coriander, all of three the commodity will price will go higher side. As of now, we are seeing as per market scenario.

Sheikh Mujib:

At the last, can you just update on the expansion? What kind of works are going in the greenfield expansion and the machinery and other things have been ordered or what is the status?

Rishit Kotecha:

Definitely. We have given project to a single entity on turnkey basis. All of the construction and civil structure and machinery will be provided by a single supplier. So, we have already ordered machineries to them and they are doing civil work as of now. By end of this March, the civil work will be 100% completed and after March up to April to June they will start and complete the fabrication work. And in July, August, they will start commissioning of machineries and take final run in August.

Sheikh Mujib:

Okay. It would be very great if you add latest photographs in upcoming presentation with the construction status.

Rishit Kotecha:

Definitely. I will ask my IR team to share the photographs.

Sheikh Mujib:

Thank you very much, sir. Thank you very much and all the best to you.

Rishit Kotecha:

Thank you.

Moderator: Sir, we will take the last follow-up question for the day from Amit. Amit, you can go ahead, please.

Amit Mehendale: Thank you, sir. Sir, my question is on the phase 2 CapEx and we discussed about that little bit. I will tell you our thought process and then you tell me if you find it right. See from whatever we understand of the business, after phase 1, our top line will become INR 500 crores, INR 600 crores. If we do the same EBITDA margin, then approximately it could be a profit of INR 30 crores, INR 35 crores, whenever the entire capacity will be utilized roughly.

After that, when we do phase 2, our capital requirement will also be around INR 40 crores. Assuming that we take 50% debt, then we can invest INR 15 crores, INR 20 crores from the company so that it doesn't dilute later. What do you think about this? Because if it will dilute, then the capital expands, EPS drops. In that context I am saying. Do you think this is a correct assumption?

Rishit Kotecha: What was your question, what was your concern?

Amit Mehendale: Sorry, sir. I didn't hear your voice. I couldn't understand. Hello?

Moderator: Rishitji, you are not audible.

Moderator: I think Rishitji's line has dropped off.

Amit Mehendale: Some issue with the audio?

Rishit Kotecha: Hello. Am I audible?

Moderator: Yes, sir. Please go ahead.

Rishit Kotecha: Yes. I just asked the concern. I cannot understand the concern what he raised for the capacity expansion. I didn't get the question correctly.

Amit Mehendale: Hello. Am I audible now?

Moderator: Yes. Yes. You are audible.

Amit Mehendale: Okay, sir. Should I repeat the question?

Rishit Kotecha: Yes. Amitji, your voice is not getting loud. Your voice is very low.

Amit Mehendale: I think there is some issue with the audio but I will repeat the question. Is it better now?

Moderator: Yes, it's better now. You can go ahead.

Amit Mehendale: Sir, I was saying that after phase 1 CapEx our revenue can be around INR 550 crores, INR 600 crores, peak revenue. Profitability will also, I mean, assuming that we do the same level of EBITDA, we should do anywhere between INR 30 crores, INR 35 crores type of profit after tax.

Rishit Kotecha: Yes.

Amit Mehendale: And phase 2, the 12,000 expansion, for that, if we assume the same size of machinery or the type of process or quality, then we were assuming that will take about INR 35 crores, INR 40 crores of CapEx. If we take 50% debt, then we will not need to raise any further capital.

Rishit Kotecha: Yes. If we are taking 50% debt, then there will be no need because warrant conversion is also pending, promoters warrant. So that fund raise will also come. If we take 50% fund debt, then there will be no need for any new funds.

Amit Mehendale: Right sir. And the promoters warrant, will they subscribe at this price?

Rishit Kotecha: When we had taken at INR 181, we will pay that price.

Amit Mehendale: Okay, sir. Okay, sir. That's it from my end. Thank you very much.

Moderator: Sir, since there are no further questions, would you like to give any closing comments?

Rishit Kotecha: Yes. Am I audible?

Moderator: Yes, sir. You can go ahead.

Rishit Kotecha: Yes. Thank you, all investors and well-wishers, for taking your good time to connect with us. And I hope in future your support will be available to us. Thank you. Good night. Jai Shri Krishna.

Moderator: Thank you to the management team for your valuable time and thank you to all the participants for joining on the call. This brings us to the end of today's conference call. You all may disconnect now. Thank you.