

Equity Research Desk

ALPHA

MANORAMA
INDUSTRIES LIMITED

Seeds to Specialty Products



Founded: 2005
HQ: Raipur, Chhattisgarh



Manufacturer of specialty fats and butters derived from exotic tree-borne seeds such as Sal, Mango, Kokum, Mowrah and Shea



Products include Cocoa Butter Equivalents (CBE), Stearin, Olein fractions and specialty fats



Presence across 39+ countries



Customers include Ferrero, Mondelez, Mars, Hershey, Nestlé and Barry Callebaut



Exports contributed 60% of Q1FY27 revenue



Integrated processing facility at Birkoni, Chhattisgarh



"Waste-to-wealth" business model using exotic tree-borne seeds

Subsidiaries



10 subsidiaries as of FY26.

Growth Strategies



Capacity Expansion & Premiumisation

- Proposed ₹460 Cr capex over the next 2–3 years
- Planned 75,000 MTPA CBA facility
- Planned 75,000 MTPA solvent fractionation facility
- Planned 90,000 MTPA refinery
- Commissioning targeted around FY28
- Existing capacity operating at around 85% utilisation
- Debottlenecking expected to take total fractionation capacity to around 52,000 MTPA
- Increasing exposure to higher-value Cocoa Butter Alternatives



Global Expansion & Backward Integration

- Presence across 39+ countries
- Exports contributed 60% of Q1FY27 revenue
- Planned 90,000 MTPA processing facility in Burkina Faso
- Backward integration into Shea nuts and Mango kernels
- Potential to strengthen raw-material security and sourcing economics
- Africa expansion supports greater supply-chain integration

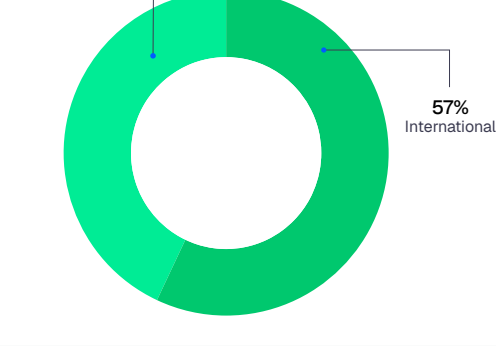


Product Mix & Financial Strength

- Management targeting 80–85% utilisation for FY27
- Gross margin guidance of 45–50%
- Working capital cycle improved from 151 days to 125 days
- FY26 operating cash flow of ₹259.4 Cr
- Net debt-to-equity improved from 0.83x to 0.38x

Revenue Breakup - FY26

Total Revenue (FY26) - ₹1,367 crore



Products & Services



Specialty Fats & Butters

- Cocoa Butter Equivalents (CBE)
- Stearin and Olein fractions
- Specialty fats for chocolate, confectionery and food processing



Personal Care & Other Applications

- Natural butters for cosmetics and personal care
- Applications across cattle feed and soap industries



Edge: Value-added specialty fats + global blue-chip customers + integrated sourcing and processing.

Financial Highlights



Q1FY27

- Revenue: ₹404 Cr (↑ 39.5% YoY)
- EBITDA: ₹106 Cr (↑ 42.2% YoY)
- EBITDA Margin: 26.3%
- Net Profit: ₹79 Cr (↑ 67.6% YoY)



FY26

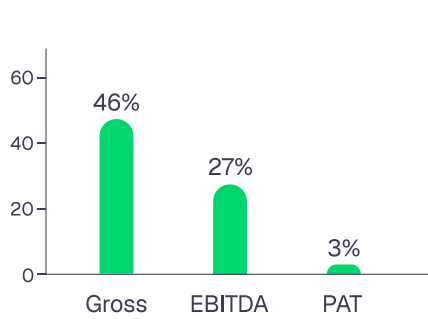
- Revenue: ₹1,367 Cr (↑ 77.3% YoY)
- EBITDA: ₹361 Cr (↑ 93.8% YoY)
- EBITDA Margin: 26.4%
- Net Profit: ₹225 Cr



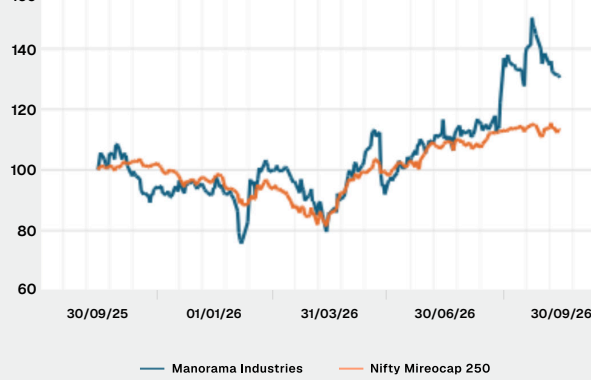
Financial Performance (3 Years)

- Revenue CAGR: ~57%
- Net Profit CAGR: ~99%
- Average ROE: ~27%
- Average ROCE: ~21%
- FY26 ROE: 40.3%
- FY26 ROCE: 33.6%
- Net Debt-to-Equity: 0.38x

Margins-FY26



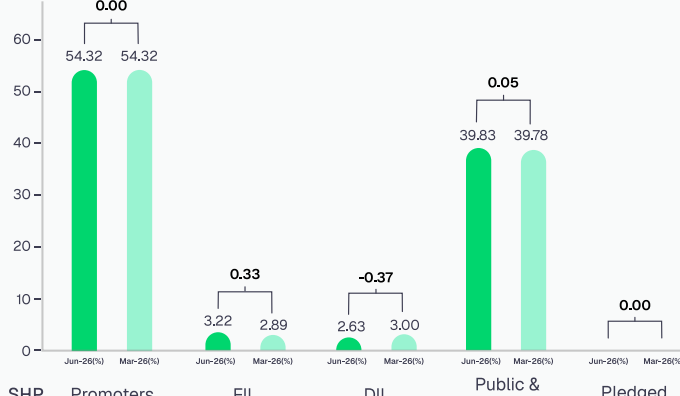
Indexed Price Chart



Market Data

CMP	₹1,880
Date	01-Oct-26
Target Price	₹2,306
Upside Potential	23%
52 Week High/Low	₹2150/1061
NSE Code	MANORAMA
Market Cap	Micro
Sector	FMCG
Rating	BUY

Shareholding Pattern



Ratios - FY26

ROE	39%
ROCE	46%
Div. Yield	0.04%
PE Ratio (x)	28.9
Face Value	2.00
EPS (₹)	39.06

Industry Outlook



India's FMCG sector generated ₹25 lakh Cr revenue in FY26



FMCG value growth stood at 12.9% in Q2 FY26



FMCG volume growth stood at 5.4%



Rural FMCG volumes grew 77%



Food processing accounts for 32% of India's total food market



India is expected to have 370 million Gen Z consumers by 2030



Rising incomes and health-conscious consumption are supporting premium food and personal-care demand



India's agricultural exports rose 2.8% to US\$52.55 billion in FY26



Food processing attracted cumulative FDI equity inflows of ₹1,13,051.94 Cr between April 2000 and March 2026

Growth Drivers



Shift to Organised & Digital Retail

- E-commerce volumes grew 34.8% YoY
- E-commerce value grew 57.7% YoY
- Modern trade volumes increased 17.5%
- Traditional trade volumes declined 6%
- Channel shift supports large branded manufacturers and their suppliers



Rising Beauty & Personal Care Demand

- India's beauty and personal care market could nearly double to ~US\$40 billion by 2030
- Driven by Gen Z demand, digital adoption and quick commerce
- Online penetration stands at around 20%
- Tier 2+ markets growing around 26%
- Supports demand for natural butters in skincare formulations



Policy Support for Food Processing

- Food Processing PLI scheme has an outlay of ₹10,900 Cr
- ₹3,271.44 Cr incentives disbursed up to June 2026
- PLI-supported product sales reached ₹1,08,854 Cr in FY26
- Scheme supports overseas branding and marketing
- 100% FDI permitted under the automatic route in food processing

Competitive Advantage



Operates at the value-added end of the vegetable fats chain

- Focuses on CBE and specialty fats rather than commodity edible oils
- FY26 operating margin of around 26%
- Strong procurement network across tribal and village communities
- Long-standing relationships with reputed global blue-chip customers
- Strong R&D capabilities for value-added specialty fats and customised solutions

Peer Analysis

Company	CMP(₹)	Mcap.(₹)	ROCE	ROE	3Y Sales CAGR	P/E	EPS (₹)
Manorama Industries	1880	11882	35.00%	40.00%	57.00%	42	44.25
Gokul Agro Resources	210	6198	37.00%	30.00%	31.00%	15	14.25
AWL Agri Business	175	22913	18.00%	11.00%	9.00%	20	8.89

Outlook



Management targets 25–30% revenue growth



Expanded fractionation capacity targeted at 85–90% utilisation



Higher contribution from value-added products



Planned ₹460 Cr capex to expand CBA, fractionation and refining



Burkina Faso expansion could strengthen raw-material security



Management targets 25–27% EBITDA margins



5–10% price realisation growth expected to support revenue growth



Premiumisation and operating leverage could support earnings growth



Key monitorable: timely commissioning and ramp-up of new capacities



Recommendation: BUY | Target Price: ₹2,306

Upside Potential: 23%

Valuation: Target price of ₹2,306, based on 41x FY28E EPS.

Maintain a 20% stop-loss from entry price.

SWOT Analysis



Strength

- Strong procurement network across tribal and village communities
- Long-standing relationships with reputed blue-chip customers
- Strong R&D capabilities
- Value-added specialty fats and customised solutions
- Strong growth and profitability profile



Weakness

- High export exposure
- Vulnerability to currency and forex movements
- Dependence on African sourcing
- Exposure to potential changes in local regulations



Opportunities

- Growing adoption of CBE and specialty fats
- Rising demand for plant-based and premium formulations
- Sustained high-capacity utilisation
- Expansion of procurement and processing capabilities in Africa
- Greater backward integration and raw-material security



Threat

- Geopolitical uncertainties in key sourcing regions
- Export restrictions
- Regulatory changes in African countries
- Potential disruption to raw-material availability and supply chains

Note: To read the Disclaimer and Disclosure, [click here](#)

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