MEGASTAR FOODS LIMITED
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MFL/CS/2025-26/38
Date: -November 17, 2025

Department of Corporate Services
The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001.

Scrip Code: 541352

National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E), Mumbai-400051.

Company Symbol: MEGASTAR

Sub: Transcripts of earnings conference call held on 12 November 2025

Dear Sir/Madam,

Pursuant to Regulations 30 and 46(2) (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is the transcript of the Earnings Conference call held by the management of the Megastar Foods Limited with all the investors over the telephone call on Wednesday, 12 November 2025 at 11:00 a.m. (IST) to discuss the financial results for the quarter and half year ended 30 September 2025.

This is for your information and records.

Thanking you,

Yours Sincerely,

For **Megastar Foods Limited**

DEEPALI CHHABRA
Digitally signed by DEEPALI CHHABRA
Date: 2025.11.17 10:47:58 +05'30'

(Deepali Chhabra)
Company Secretary & Compliance Officer
A61299

Megastar Foods Limited

H1FY26 Earnings Conference Call

CORPORATE PARTICIPANTS:

Mr. Vikas Goel
Chairman and Managing Director

Ms. Manisha Gupta
CFO

Moderator

Good morning, ladies and gentlemen, I am Akash, moderator for the earnings conference call. Welcome to Megastar Foods Limited H1FY26 earnings conference call. We have with us today from the management, Mr. Vikas Goel, Chairman and Managing Director, Ms. Manisha Gupta , CFO. As a reminder, all participants will be in lesson 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 * then 0 on a touchtone telephone. Please note this conference is recorded. I would now like to hand over the floor to Mr. Vikas Goel. Thank you, and over to you, sir.

Mr Vikas Goel

Good morning, everyone. Thank you for joining us today. It is my pleasure to welcome you all to Megastar's first earning conference call. We appreciate your interest and participation as we host our first call to share insights into our business performance and outlook.

Let me start with a brief introduction about our company. Megastar Foods Limited had its roots in a rich legacy that date of 1964 when the family business operated as name of the Baisakhi Mal RamKishan, one of the earliest registered flour mills in Chandigarh. Building on this foundation, myself, Vikas Goel established Megastar Foods Private Limited in 2011 with a vision to serve both domestic and global food industry with high-quality wheat waste products.

Today, Megastar Foods is a preferred supplier to leading multinational food companies such as Nestle, ITC, HUL, Jubilant, Bimbo Bakers, Yum, underscoring our commitment to quality, consistency and trust. The company was listed in the BSE SME platform in 2018 and subsequently migrated to the main board in 2022, marking an important milestone in our growth journey. We are a leading player in the food processing industry, specialized in the manufacturing of high-quality wheat-based products. Our product portfolio includes refined flour, whole wheat flour, semolina and bran, catering to B2B segments. Over the years, we have built a reputation for consistent quality, reliability and compliance with globally food safety standards, which continues to strengthen our relationship with our clients.

Speaking of our business operations and capabilities, it is notable to mention that our state-of-the-art manufacturing facility in Rupagar, Punjab is among the most advanced facility in India. Equipped with the latest Wheeler machinery, the plant operates 710 MT per day capacity and is supported by 50,000 MT wheat storage in-house. We adhere to the highest quality and safety standards with certifications including DRCGS, FSSAI, HALAL and SEDEX, ensuring that our products meet global benchmarks for food safety, sustainability and ethics. Now, our company CFO, Ms. Manisha tell you on our quarterly and half yearly performance.

Ms. Manisha Gupta

Hi. Good morning, everyone. Speaking of quarterly and half yearly performance during the quarter, we delivered a steady operational performance supported by healthy demand in the domestic market. Our revenue from operations for the quarter stood at INR 138 crores, up to 53% YoY from 90 crores during the same quarter last year. Revenue growth was driven by higher off-take from institutional customers and improved product mix. EBITDA was INR 9.4 crores, up 104% YoY versus INR 4.6 crores in Q2FY25. EBITDA margin claiming at 6.8% versus 5.1% in Q2FY25. The improved in EBITDA was aided by cost optimization initiatives and efficient raw material outsourcing.

PAT margins came in at 1.7% quarter 2 financial year 2026. Over the years, we continue to invest in operational excellence, focusing on automation, capacity utilization, and process efficiency to further enhance productivity. Looking ahead, our focus remains on strengthening long-term partnerships with multi-global and domestic clients, enhancing process efficiency through automation and continuous improvement, expanding our value-added and organic product lines to capture evolving consumer preferences. Maintaining financial discipline and sustainable growth across our operations. We believe Megastar Foods is well-positioned to leverage its operational strength, customer support, and industry tailwinds to deliver consistent growth and value creation for all stakeholders. That brings us to end of our remarks, and we would like to take up any questions that you may have.

Moderator

Thank you, ma'am. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Let us wait for a moment until the question queue assembles.

The first question is from Mr. Hansh Singh from AK Investments. Please go ahead, sir.

Hansh Singh

Hello, thanks for the opportunity. Wanted to get some understanding on what are the key drivers behind the strong revenue and EBITDA growth in Q2 and H1 FY26 and are this sustainable revenue growth of 53% YoY and 67% on H1 basis, while EBITDA growth of, 100 plus.

Ms. Manisha Gupta

It is sustainable reason being we have increased our production capacity because of this increase in the production capacity; this revenue will be sustainable in future years also.

Hansh Singh

Understood. So, may I know the plan to maintain or improve profitability and pricing I mean rising raw material or operational cost?

Ms. Manisha Gupta

Sir, with the increase in the production, the raw material cost and overall cost will automatically be decreased in that level. our EBITDA is increased only because of the cost optimization, and we are trying to increase the reduce at a later part also. We are taking steps so that the cost will be optimized at maximum extent.

Hansh Singh

I just wanted to understand more on the factors contributing to the PAT level increase and how does the company plan to improve PAT margins further?

Mr. Manisha Gupta

Sir, in our industry, main cost is power and fuel, and we are trying to reduce the electricity cost by different sources by applying the solar and other factors. Second cost is our admin cost because that production has been increased, then at the same premises, then the administration cost has been reduced. Third is employment cost.

Mr. Vikas Goel

And due to, fresh CapEx, at presently, interest cost is on the higher side. In future, our PAT will increase. Going forward, as our interest cost would decrease our PAT will see improvement.

Hansh Singh

Okay. Got it, sir that's helpful. Sir, also on the guidance in the outlook part, so what will be your revenue and profitability guidance for the rest of FY26 & FY27, if you may highlight any ballpark number for that?

Mr. Vikas Goel

In future, approximate around 15% of the revenues will be up every YoY. If I say about 26-27, approximate, in FY25-26 we are going to close around INR 500 CR. In FY26-27, it is around INR 600 crores and around FY27-28 is around INR 700 crores

Hansh Singh

I just wanted to know what is the current capacity utilization rate of the plant, and are there plans for capacity expansion further?

Mr. Vikas Goel

Presently, we are using around 65% of our capacity. We have 30% capacity more, to utilize in future. Yes, we have planned, but, in different locations that we will plan in next year.

Hansh Singh

Okay, sir understood. Thank you, sir so that's all from my side. I'll join back to you.

Moderator

Thank you, sir. The next question is from Mr. Prerak Dusab from Alternative Investment Bank. Please go ahead, sir.

Prerak Dusab

Hello. First of all, congratulations, sir, on the commendable results of September quarter. Just I have few questions exports has been an important growth level for you. So can you please elaborate with geographies are we seeing most now?

Mr. Vikas Goel

Basically, export is banned from India in wheat and wheat products. Since 2022, there is no export from India of wheat and wheat products. Our main clients are local MNCs and local Indian player like ITC. And we our specialization is specialized flask for, like, pizzas, for chocolates, not normal bakery flour. We are making specialized flour for specialized requirement of customers.

Prerak Dusab

And sir, how has the working capital cycle moved in the last few quarters, especially in terms of receivable and inventory?

Ms. Manisha Gupta

The key raw material is wheat which is purchased during the quarter of April. If we talk about the Q1, the working capital utilization will be at the maximum level. If we talk about Q2, that will dip by 50% reason being that at Q1 we utilized maximum working capital and in Q2 it will be dropped by 50% because we procure wheat in the month of first quarter for the later periods, for the rest of the 9 months. That is why the working capital utilization in Q1 will be higher. Q2, it will be less than 50% and Q3, it will be less than 20% and in Q4, it will be minimum.

Prerak Dusab

Ma'am, H1 and H2, if we compare both, which half is better for your company?

Ms. Manisha Gupta

Sir Q2.

Prerak Dusab

Got it. Alright. That's all from my side. Thank you.

Moderator

The next question comes from Mr. Aniket Madhubani from Supplied Investments. Please go ahead, sir.

Aniket Madhubani

Hi sir so, I just wanted to know about the current capacity and the additional capacity of, plant. So could you please throw some light on it?

Mr. Vikas Goel

Earlier, our capacity was 310 MT per day. Last year, we have expanded our capacity to 710 MT per day. Currently, our capacity is 710 MT per day and utilization is approximate 65% of the capacity.

Aniket Madhubani

Okay and when are you expecting to utilize this at optimum level, I mean?

Mr. Vikas Goel

Hopefully, next year.

Aniket Madhubani

So, will it be around 70% to 75%, next year?

Mr. Vikas Goel

Yes, 80% is maximum.

Aniket Madhubani

Do you have any current order or something like this for this year contracts?

Mr. Vikas Goel

Our model is long-term contracts. We have contracts for entire year.

Aniket Madhubani

Entire year and quarterly basis, right?

Mr. Vikas Goel

Yes, quarterly basis, yearly basis, vary product to product and company to company.

Aniket Madhubani

And you are projecting around 15% of top line growth in next year.

Mr. Vikas Goel

Yes, comfortably.

Aniket Madhubani

The operating margin will be sustainable?

Mr. Vikas Goel

Yes, that is sustainable. Rather, in future, it should be increased.

Aniket Madhubani

Increased to what percent?

Mr. Vikas Goel

Our business mostly dependents on wheat crop i.e. extra wheat crop or lesser wheat crop, market scenario will depend on the total quantity of wheat production. That we can predict yearly in the month of February, March.

Aniket Madhubani

Okay. Got it.

Moderator

Thank you, sir. The next question will be from Mr. Hemang Pandiya, an Individual Investor. Please go ahead, sir.

Hemang Pandiya

Hi, sir. Good morning. Congratulations for good set of numbers. Sir, I have three questions. What is the target margin range over the next two to three years?

Mr. Vikas Goel

Target margin is double digit EBITDA.

Hemang Pandiya

Another question, is the company planning to raise any additional debt or equity for the expansion?

Mr. Vikas Goel

Presently, No.

Hemang Pandiya

How are receivables and payables be being managed to maintain liquidity?

Ms. Manisha Gupta

Receivables and payables are in, the liquidity is maintained by these receivables and payables. There is no issue in this. Secondly, liquidity is okay, we are trying to get a EBIDTA margin as to double digit, and there is no issue in receivables and payables, I hope.

Hemang Pandiya

Understood, ma'am. I have one more question. Non-current borrowing has risen INR 6,280 lakhs and current liabilities are INR 18,941 lakhs. So, what is the debt repayment of this restructuring plan?

Ms. Manisha Gupta

Sir, there is no as such restructuring. The long-term borrowing is 62 crores and the short-term is INR 111 crores. INR 111 crore includes mainly the working capital loan, that is the warehousing loan. And the long-term is INR 62 crores, which we are in good position to pay. As of now, the EBITDA is 6.8, and we are trying to get it in double digit. So, there is no issue in long term repayment.

Hemang Pandiya

Understood, ma'am. Inventory has increased significantly from INR 38 crore in FY25 to INR 137 crores in H1 FY26. So, what is driving this?

Ms. Manisha Gupta

Sir, as I have said, that wheat is a seasonal crop. We buy at maximum level in the month of April and May and the stock will be reduced by end of March. Reason being, the wheat crops enter In the month of April. The stock will be minimum by the end of March, that will be approximately 1 month crop. So, that is why the wheat is INR 38 crores. Now, at 30th September, the wheat, we will keep the wheat for rest three or four months. That is where the crop is, stock is 137. Second reason is that we have increased our production capacity. Because of this increase in the production capacity, we have to keep the wheat too. So, there are two reasons. We have kept the wheat for rest of four months. Secondly, the production capacity has been gone more than double. The stock is also burdened more than double.

Hemang Pandiya

Okay. Got it, ma'am. So your 40% sales come from Punjab, and 14 to 15% come from Haryana. So is there any company strategy to diversify regionally or expand PAN India?

Mr. Vikas Goel

We are planning to increase our geographical situation, according to our products demand in other states.

Hemang Pandiya

Understood, sir and is there any export expansion plan for the future?

Ms. Vikas Goel

Export presently totally banned from India, but presently India is sufficient stocks of wheat in government position. Maybe next year, government will open exports.

Hemang Pandiya

Okay. And one more question 60% revenue come from your top 10 brands. So, from your top brands is there any concrete plan to diversify your customer concentration base?

Mr. Vikas Goel

Yes, we are starting our B2C brand very shortly.

Hemang Pandiya

Can you please share the plan or something?

Mr. Vikas Goel

Plan is we are planning to launch our brand for Horita in the next financial year.

Hemang Pandiya

One question regarding the utilization. Your capacity utilization is almost 85 to 86% from, refined wheat flour and 20% to 25% from another category. So, what is the plan to increase utilization across product line?

Mr. Vikas Goel

No, you are saying that from 100% wheat, the maximum refined flour (Maida) yield is about 75%. The remaining 25% becomes by-products such as bran and cattle feed.

Hemang Pandiya

Okay, got it, thank you so much.

Moderator

Thank you, sir. The next question is from Aiysha from Value Worth Investment. Please go ahead, ma'am.

Aiysha

Thank you for the opportunity. My first question is, what are the growth opportunities and risks that management foresees in expanding the weak flour consumption market in India?

Ms. Manisha Gupta

As such, ma'am, wheat is a regular product. There is no risk as such. And as a company, we are expanding, and we are increasing our production capacity. We will increase the capacity from 75% to 85% to be have the orders and, wheat and the flour is as such a product, as there is always a demand of the flour product. To as if there is no risk in the wheat and the flour product.

Aiysha

What are the steps the company is taking to diversify its customer base domestically and internationally?

Ms. Manisha Gupta

Ma'am, internationally, we are planning to expand our product, which we will be most likely next year, we will start the export. As of now, export is banned by the government, but most likely next year or the year after. Secondly, we have started the new products because this is a refined flour, specialized flour. We are also trying to innovate more products day by day so that the customer base will increase., The product base will also increase. So there will be double diversification one product wise and secondly customer wise. Thirdly, the potential of export stands once the ban is lifted.

Aiysha

How is the company leveraging its digital distribution and ecommerce to expand its customer base?

Mr. Vikas Goel

The refined flour is not a consumer product. Basically, the refined flour goes to institutional customers.

Aiysha

So how does Megastar ensure the quality control and maintain certifications in a high-volume manufacturing environment?

Mr. Vikas Goel

Ma'am, we have a very qualified team in house. All departments and HOD are qualified. Then there is no issue of certification and other. We have customers like, Nestle, ITC, etc who regularly conducts regular audits.

Aiysha

So last question, what are the strategic priorities for the leadership team in the next 2 to 3 years?

Mr. Vikas Goel

Basically, our total focus is on specialized flour. The flour India imports presently from other countries for which we are, making their replica in India. We are trying to make all the flour for Indian requirements in India only.

Aiysha

Okay, sir. Thank you so much.

Moderator

Thank you. That will be the last question for the day. Now I hand over the floor to the management for the closing comments.

Mr. Vikas Goel

Thank you, everyone. On behalf of the management of Megastar Foods Limited, we thank you all for joining us for on our post earning call today. We hope we have been able to address majority of your queries.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes your conference for today.
