



Madhusudan Masala Limited

Press Release - H1 FY26

14th November 2025: Madhusudan Masala Limited ("MML"), a manufacturer of spices and blended food products, announced its performance update for the first half of FY26. The results reflect a temporary moderation in revenue following an exceptional Q1, driven by commodity price movements and strategic channel decisions. However, on a half-yearly basis, the Company continues to record growth. MML remains confident of a strong recovery in the second half of the fiscal year, supported by favourable market conditions and its continued shift toward higher-margin branded business.

Key Financial Highlights (Consolidated):

Particulars (INR Mn)	Q2'FY26	Q1'FY26	Q2'FY25	H1'FY26	H2'FY25	Growth (YoY)
Revenue from Operations	451.3	730.9	697.3	1,182.2	9,95.9	18.7%
EBITDA	65.4	75.2	75.0	140.6	113.2	24.2%
Net Profit	34.9	41.7	41.7	76.6	65.3	17.2%
EBITDA Margin	14.5%	10.3%	10.8%	11.9%	11.4%	+77 bps
Net Profit Margin	7.7%	5.7%	6.0%	6.5%	6.6%	-8 bps

Performance Overview (Key Reasons for Q2 FY26 Normalisation):

Q1 FY26 – Record Revenue Driven by Low Prices and Forward Buying

- **Market Condition:** During Q1 FY 26, major spice commodities, particularly chilli, reached their lowest price levels in several years. The extended chili harvest season, lasting until May 2025, kept supplies abundant.
- **Action Taken:** Recognising this advantageous environment, the Company encouraged distributors and wholesalers to maximise purchases.
- **Outcome:**
 - Q1 FY 26 revenue surged to Rs 715.5 mn, approximately 2.5 times the Rs 297.8 mn reported in Q1 FY 25.
 - The aggressive intake by channel partners resulted in a sizeable carry-forward stock entering Q2.

Q2 FY26 – Normalisation of Sales and Conservative Order Intake

- **Carry forward Effect:** As anticipated, the strong stock build-up in Q1 led to subdued purchases in Q2, with partners utilising their existing inventory.

- **Price Outlook:** Additionally, **expectations of rising spice prices** post-Diwali owing to **unseasonal monsoon rains and a cyclone**, prompted the Company to adopt a **conservative order acceptance strategy**. This approach **prevented over-commitment at lower prices**.
- **Outcome:** Q2 FY26 revenue stands lower compared with Rs 697.3 mn reported in Q2 FY25, reflecting a **temporary and strategic slowdown in trade volumes**.

Branded Sales Mix Strengthens Margins

*Despite the topline moderation, the Company delivered a **stronger margin profile**.*

- The **share of branded sales** increased to **71% in Q2 FY26**, compared with 65% in Q2 FY 25.
- This shift toward branded products **improved gross margins**, offsetting a portion of the decline in non-branded (trading) segment revenues.

Channel Inventory Position Sets Stage for Strong H2 FY26

- By early October 2025, **primary channel inventories were nearly depleted**, confirming that the **excess stock carried over from Q1 had been fully absorbed**.
- **With minimal carry-over inventory**, the Company **anticipates robust demand in Q3 and Q4**, driven by replenishment cycles and expected post-Diwali price increases.

Strategic Shift Toward High-Margin Branded Business

- The Company is **steadily advancing its long-term strategy of strengthening its branded portfolio** while intentionally **scaling back low-margin trading activities to enhance overall profitability**.
- **Short-Term Impact:** Overall revenue may remain modestly impacted due to reduced trading volumes.
- **Long-Term Benefit:** Enhanced profitability, stronger brand equity, and sustainable value creation.

Outlook

- The Company **expects Q3 and Q4 FY26 to be strong in both volume and margin terms**, supported by **depleted channel stocks and an improving price environment**.
- Management **reiterates confidence that the strategic focus on brand-led growth and disciplined inventory management** will deliver **sustainable performance and improved shareholder returns**.

Commenting on the update, Mr. Rishit Kotecha, Managing Director, Madhusudan Masala Limited, said:

“Our H1 FY26 performance must be viewed in the context of an exceptional Q1 that benefitted from historically low commodity prices and advance stocking by trade partners. As expected, this created a short-term normalisation in Q2. Importantly, our shift toward branded products is strengthening our margin profile and positioning the Company for sustainable long-term growth.

With channel inventories now fully absorbed and demand picking up, we foresee a strong rebound in the second half of the financial year. The anticipated post-Diwali price movement, combined with our disciplined order intake and focus on premium branded offerings, will drive both revenue momentum and profitability.

While revenue in Q2 reflects a temporary adjustment, our branded sales mix and strategic reduction in low-margin trading volumes have improved our underlying financial strength. We remain committed to enhancing shareholder value through consistent margin improvements, prudent inventory management, and strong brand-led growth.”

For further information, please contact



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