

Date: 25.11.2025

**To,
The Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Plot No. C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051**

**Symbol: SACHEEROME
ISIN: INE1ARD01016**

Sub.: Submission of Transcript of the Earning Conference Call held on 20th November, 2025

Dear Sir/Madam,

With reference to our intimation dated November 15, 2025 related to the Earnings Conference call, the Company is submitting the transcripts of Earnings Conference call of the analyst/investor conference call which was held on Thursday, November 20, 2025 at 02:00 P.M for the Half Year ended 30th September 2025.

The transcript of the Call is also uploaded on the Company's website i.e. https://www.sacheerome.com/pdf/H1_FY26_Earnings_Call_Transcript.pdf

This is for your information and records.

Thanking You,
Yours Sincerely,

FOR SACHEEROME LIMITED

**Manoj
Arora**

Digitally signed by
Manoj Arora
Date: 2025.11.25
11:46:44 +05'30'

**MANOJ ARORA
CHAIRMAN & MANAGING DIRECTOR
DIN: 01811530**

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“Sacheerome Limited H1 FY26 Earnings Conference Call”

November 20, 2025



MANAGEMENT: **MR. MANOJ ARORA – CHAIRMAN & MANAGING DIRECTOR, SACHEEROME LIMITED**
MR. DHRUV ARORA – WHOLE-TIME DIRECTOR, SACHEEROME LIMITED
MS. AARTI KASHYAP – CHIEF FINANCIAL OFFICER, SACHEEROME LIMITED
MODERATOR: **MS. CHANDNI – EQUIBRIDGEX**

Moderator: Ladies and Gentlemen, Good Day and Welcome to Sacheerome Limited H1 FY26 Earnings Conference Call.

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 “*” then “0” on your touchtone phone. Please note that this conference is for one hour and being recorded.

I now hand the conference over to Ms. Chandni from EquibridgeX. Thank you and over to you Ms. Chandni.

Chandni: Thank you. A very good afternoon to everyone. Welcome to the H1 FY26 Earnings Call of Sacheerome Limited.

From Management Team, we have with us Mr. Manoj Arora -- Chairman & Managing Director; Mr. Dhruv Arora -- Whole-Time Director, Ms. Aarti Kashyap -- CFO.

We will have “Opening Remarks from the Management Team,” post that, we will open the floor for “Q&A.”

With that, I would like to hand over the call to “Mr. Manoj Arora for the Opening Remarks.” Thank you and over to you, sir.

Manoj Arora: Thank you, Chandni. Good afternoon, friends, ladies and gentlemen. It is my pleasure to welcome you all at Sacheerome Limited's First Earnings Call. I would like to begin by expressing my sincere gratitude to all our shareholders, investors and partners for joining us today and for the confidence you have shown in our company.

This is a proud moment and important milestone for us, not only because it marks our inaugural earnings call, but also as it follows our recent listing on the National Stock Exchange Emerge Platform. Our IPO witnessed an astounding subscription of 313x, a clear sign of faith that investors have shown in our company, its vision, governance and our team. I sincerely thank each and every investor for the resounding vote of confidence.

I also take this opportunity especially to thank our anchor investors, Mr. Sunil Singhania ji of Bharat Venture Opportunities Ltd., Shri Madhu Kela ji of Chartered Finance & Leasing Ltd., Ms. Saranya Agrawal, daughter of Mr. Mukul Agrawal of Sanshi Fund and HDFC Bank for their trust and support.

Before we move into financial performance, allow me to “Briefly Introduce our Company and the Business we are Building.” Sacheerome is one of the leading fragrances and flavour creative house catering to food and non-food FMCG industries for fragrances and flavours. We cater to fragrances in categories of personal care, personal wash, hair care, hair wash, fabric care, home care, baby care, fine fragrances, hair care, pet care, hygiene and wellness, and flavours in categories such as beverages, bakery, confectionery, dairy products, health and nutrition, oral care, ice cream, dry flavours and seasonings.

Friends, over the years, we have developed strong expertise in developing fragrances and flavours at par with the best, which are supported by cutting-edge technologies, dedicated research and innovation, application and evaluation, advanced QC, robotic manufacturing and a wide product portfolio designed to meet the evolving consumer preferences.

We take pride in being a trusted partner of established Indian and global FMCG companies, as well as fast-growing our footholds in the new age emerging companies.

We offer the customized applications, specific fragrances and flavours with our robust compliance framework. With the strong commitment to our quality, we have been able to build strong-standing customer relationships across India and several global markets.

The first half of FY26 has been very encouraging and successful period for us. We delivered a strong performance, driven by healthy demand across different product categories, and with the enhanced product range.

Our research and development, operational efficiencies and technological innovation capabilities have supported us a lot.

These efforts yielded positive results, positioning us better to serve a large customer base and scale sustainable over the coming years.

As the first half of FY26, we have nearly completed the civil construction of our upcoming facility at Yamuna Express Industrial Development Area.

I now hand over to “Mr. Dhruv Arora, Whole-Time Director of the Company, to Update you about our Upcoming YEIDA facility in detail.”

Dhruv Arora:

Hi. Good afternoon, everyone. As our Managing Director Sir told you that the civil work of our upcoming facility at Yamuna Expressway Industrial Development Authority, (YEIDA), which is situated near to Noida International Airport, is near to completion.

As per our MEP works, which is progressing at a very rapid pace, the new plant and machinery is expected to arrive within the estimated timelines. We remain on track to bring the new facility in full operations in Q4 of FY26.

This facility is being built on a land area of 21,023 sq. mtrs. and will comprise of two towers, with one tower dedicated to fragrances and the other two flavors.

The facility will have an advanced research and innovation center, quality center, application center, consumer evaluation center, and a perfumery training center, along with various other administrative facilities.

The new facility will enhance the capacity, speed, and precision to serve our customer better.

Friends, our focus remains consistent to combine creativity with technology and build a strong customer relationship to drive long-term profitable growth.

The opportunity in India, as well as global FMCG and consumer product landscape is immense, so is Sacheerome's acceptability. Today, Sacheerome is strongly positioned to capitalize on this growth with our integrated capabilities and an innovation-driven approach.

With this brief overview, I would now like to hand over the call to our "CFO, Ms. Aarti Kashyap, who will take you through the Financial and Highlight for the First Half of FY26." Thank you so much. Over to Ms. Aarti.

Aarti Kashyap:

Good afternoon, everyone. We appreciate your time and interest in our company. Talking about "Financials," the first half of FY26 has been one of the meaningful progress and strategic executions.

We delivered robust revenue growth of 51.75%, with revenue from operations increasing to Rs.76.56 crores compared to Rs.50.45 crores in the same period last year, leading to an overall quantum increase of Rs.26.11 crores.

This performance underlines the strength of market positioning, the resilience of demand across all categories, and the effectiveness of our customer engagement strategy.

Domestic market continue to be the key growth engine, contributing Rs.25.52 crores of the overall increase.

Our growth was supported by the addition of new customers, addition of more products, and organic growth from existing customers.

The PAT is Rs.14.94 crores, reflecting strong financial health and overall performance.

EBITDA margin expanded significantly to 26.98% from 20.22% in the same period last year, reflecting improved operating leverage and disciplined cost management.

As on first half of FY26, we have invested Rs.53.64 crores of funds into the YEIDA facility. The funds invested from the IPO proceeds amounts to Rs.7.07 crores and from internal accrual amounts to Rs.46.57 crores.

Thank you for joining today and we look forward to your questions.

Moderator: We will now begin the question-and-answer session. The first question comes from the line of Abhi with AJ Capital. Please go ahead.

Abhi: Hello! Yes, good afternoon. So, congratulations on a good set of numbers. As we are fairly new to the company and the company is newly listed, so some basic questions. First of all, just want to understand some of the growth that we have seen in the company in the last two months –

Manoj Arora: Sorry, you are not very clear.

Abhi: Since I am a fairly new to the company and we are currently listed, I just want to understand more fundamental questions on the growth that we are seeing. Now, I understand that in 2019-2020, we used to do an annual turnover of about Rs.50-55 crores, but this half year itself, we are clocking about Rs.76 crores, so, can you give us an idea and understanding fundamentally as to where the growth is coming from, who are the customers and how sustainable is the growth, just some flavor on that, sir.

Manoj Arora: Okay. Thank you very much for your question, which is quite relevant. If you see our last three years or maybe past 10- years performance, every year we have been growing. And the growth is coming from the robust India and from the FMCG industry, which is doing very well, and the growth is coming from our addition of, as Aarti mentioned, new customers, addition of new products with the existing customers and the organic growth. And this is sustainable, because FMCG industry, on which we depend upon directly, is doing very well, and India is at a better position to serve the customers with a better price, better quality, and we have the setup, which is globally at par with any best company, and that is why we are getting quite a good growth. And we are still a small company. There is a huge scope to grow. And there is a long way to go. And this is not only sustainable. This we hope to do very well in the time to come.

Abhi: Secondly, sir, obviously you are seeing some encouraging trends this year, do you think that these growth rates and these margin expansion that you have seen s sustainable for the next two, three

years, I mean, what are your estimates in terms of what you are seeing in terms of demand going forward, will you be able to maintain these margins and these growth rates for the next two, three years also?

Manoj Arora: You see, we are able to show the better margins. Why? Because we did a better top line. And at the same time, we were maintaining the overheads very smartly. And we believe our margin expansion is sustainable due to a combination of factors -- higher proportion of high margin products, operational efficiency, disciplined cost control and a strong pricing strategy. While some competitive pressures exist, our value-added offerings and differentiated solutions allow us to maintain the healthy margins.

Moderator: Next question comes from the line of Jatin Agarwal from Manish J. Mundada and Associates. Please go ahead.

Manoj Arora: Hello, Jatin ji.

Jatin Agarwal: Yes, good afternoon, sir. First of all, congratulations on the result.

Manoj Arora: Thank you.

Jatin Agarwal: Sir, I just have two questions. So, first of all, you spoke about your margins. So, your margins are significantly higher than your competitors in the listed space. So, any specific reason for which your margins are so high which is very good? And also, you had mentioned during your IPO about some technology platforms like Sach Natura, Sach Veda, Sach Max Ach. So, is this the reason for your such high margins that you are able to achieve?

Manoj Arora: You see, if we were not doing the better top line, our margins would have been the same. We are able to show the better margins. Why? Because with the same existing operative cost, we have done a much better business. And at the same time, our competitive edge comes from a combination of R&D innovation, highly qualified human resources, high-quality standard products, regulatory compliance, and deep customer relationships. We provide tailor-made solutions aligned with consumer preferences, which help us to maintain the better profit margins. If I missed out anything in your question, you can please add on?

Jatin Agarwal: About the technology platform that you had mentioned earlier?

Manoj Arora: Yes, certainly. You see, we have a couple of technologies which are very unique in nature. That is due to our in-house expertise. One is Sach Veda and there are many others which we would not like to discuss on the public platform, but, we share those technologies with our customers. And this is the era of technology. Unless and until you have a better product, better technology, better delivery

system, we are having an edge, and we will continue to maintain that with our continuous efforts to improve upon the technologies.

Jatin Agarwal: Sir, you had just mentioned Rs.53 crores in CAPEX has already been done. Out of which, for IPO Rs.7 crores you have already deployed. So the remaining, I guess you are taking for the CAPEX, around Rs.50-55 crores. So what is the timeline for that deployment? And are we going to need any debt for this or we will be able to commission the new facility on time?

Manoj Arora: Yes. You see, we are on track of the completion of our project. And first half '26, as you mentioned, we have invested Rs.7.07 crores from IPO proceeds and the unutilized portion is currently parked with FDs. We have already entered into the contracts with various vendors for every aspect of the project and our work is progressing as per the schedule. The remaining IPO proceeds are planned to be deployed in time to come as and when required. Rest be assured, it will be deployed very wisely.

Jatin Agarwal: Sir. Thank you. Thank you so much.

Manoj Arora: My pleasure. Thank you.

Moderator: Next question comes from the line of Meet Katrodiya with Niveshaay. Please go ahead.

Meet Katrodiya: Namaskar ji. Congratulations on good set of numbers. Do we already have off-tech commitments or contracts from the customers for this new capacity? What is the expected ramp-up timeline for the new facility? And what gives us the confidence that we will be able to utilize this facility well? What kind of commitments do we have with the customers?

Manoj Arora: Sure. Ours is a very sticky business. We are in the business of fragrances and flavors which are not the commodities. Our product becomes the identity of the end product and we are dealing with the best of the companies. In the last many decades of my business experience, touchwood, we have not lost any business, and we have to maintain the quality. And, the consumer FMCG products which they use our product they are in fact doing so well, and with a tight we are getting the better financial results. And the new facility, we are already under pressure capacity-wise. Our facility is very wisely planned and we are sure that we will be able to utilize our capacity up to the best possible extent with no time.

Meet Katrodiya: Great. So the second question would be the numbers of global fragrance and flavors players have very long-term relationship –

Manoj Arora: Sorry, you are not clear.

- Meet Katrodiya:** Global players have very long-term relationship with the customers. So if we are targeting the export market, so like how are we targeting export market like so we are adding the new customers which are coming with the newer products or we are replacing the global players and taking their market shares?
- Manoj Arora:** I think you have a very relevant question. One, we are getting most of the growth from our domestic customers who are fantastic, who are doing so well. Okay. Now, in fact, they are becoming the global companies in their own capacity. We will not say that we are taking away the business from our able competitors. We are creating our own space. Okay? And there is a much scope. Every day there are new launches of the new products, Indian products are doing so well, as well as we are looking at the export market also, which is also giving us a huge acceptance. This is the acceptance of India. And Indian companies are also they were not taking Indian companies seriously. I do not think earlier you were not buying the Indian products, but now you have the confidence in the Indian products. And it has been a long struggle. Okay? We have to prove ourselves and we have the acceptability with almost all big, medium and the small Indian companies.
- Meet Katrodiya:** Got it. And then since the large many FMCG companies typically require a wide portfolio of SKUs, right, so are we supplying them across many small SKUs with small volumes or our product goes into higher volume products?
- Manoj Arora:** You know, as a businessman, we should not be leaving any business whether it is small or big. Okay? You never know when the small becomes big and big becomes small. I have seen in my lifetime. We have the acceptance in the big, medium and the small companies for their big, medium and small businesses.
- Meet Katrodiya:** Got it. Thank you so much and all the very best.
- Manoj Arora:** Thank you.
- Moderator:** Next question comes from the line of Nishita Sanklesha from Sapphire Capital. Please go ahead.
- Manoj Arora:** Hi, Nishita.
- Nishita Sanklesha:** Yes. Hi! So, again, my question is on the margin front only. In H1 FY26, we have done a margin of 25% as compared to 19% in H1 FY25. So, is our margin sustainable at the 25% level or how should we see the margin going forward?
- Manoj Arora:** I will give the credit to our operational efficiency, one. Second, we are able to improve our turnover... our top line while maintaining the expenses and we are sure that we will continue to

maintain that and these are sustainable and if God forbid if something happens which is beyond anybody's control, so, otherwise, we do not see any reason of not maintaining the profit margins.

Nishita Sanklesha: Right. Okay. And in H1 FY26, we have already done a top line of Rs.76 crores around. So, how do we see the whole year FY26 in top line terms?

Manoj Arora: We are at the end of the second month of the third quarter. Okay? So, we are doing equally good and we hope to perform as good as the first half or even a little better.

Nishita Sanklesha: Okay. Understood. On the CAPEX front, you mentioned that a new facility will be operational in Q4 FY26. Can you mention the total CAPEX amount required for this new facility and how much you have already deployed for this?

Manoj Arora: The total facility is approximately Rs.184.16 crores and we are going on the track and we are making the good progress. And we have incurred already Rs.46.57 crores through internal accruals and Rs.7.07 crores from IPO proceeds. And, we are at the stage of finishing the most of the things and funds will be deployed on time as and when required.

Nishita Sanklesha: Sorry, so your voice cannot hear in between. The total CAPEX amount is Rs.180 crores, right?

Manoj Arora: It is Rs.184.16 crores.

Nishita Sanklesha: Okay, understood. And it will be operational by Q4, FY26?

Manoj Arora: Yes, certainly.

Nishita Sanklesha: How do we see this ramping up? And at peak utilization, what will be the revenue we are expecting from this new facility?

Manoj Arora: Could you clarify the question once again?

Nishita Sanklesha: Yes, so my question is from this new facility, at peak utilization level, what is the revenue that we expect?

Dhruv Arora: So, as you are aware, our current capacity is 7,60,000 kilos and in the new capacity, we are doing adding another 20 lakh kilos which will make our total capacity to 27,60,000 kilos. So, I do not have the peak revenue to offer you right now, but as Mr. Arora did mention that we will be utilizing our capacity and we will be trying to have the most optimized utilization in the times to come. So, of course, we will be having a much higher revenue overall for us through this facility in the times to come.

- Nishita Sanklesha:** Okay. Perfect. Thank you so much.
- Manoj Arora:** Thank you very much.
- Moderator:** Next question comes from the line of Akshay Shah with Toro Wealth Managers. Please go ahead.
- Manoj Arora:** Hi Mr. Akshay Shah.
- Akshay Shah:** Hello, sir. Thank you for the opportunity. Sir, I want to understand that what are the key raw materials for the company and are we able to pass the price increase to end customer and with how much time lag are we able to pass it? And what can be the reason for decrease in the margin if it happens?
- Manoj Arora:** Okay. So, our major ingredients are aromatic chemicals, natural essential oils, there are several products, it is a very long list of ingredients which we use, some of which are our captives, which we get them made for our captive consumption and which give the distinctive touch to our products. And it is a very competitive market. If you will not pass on the benefit to your customer, then somebody will enter... and we will try to enter, okay, or the customer will not have that benefit. As a good business practice, we certainly pass on the benefit to the customers so that they also remain competitive. We also remain competitive. And with them we exist. We are in the B2B business, we are not in the B2C. There are three turbulences we have faced, everybody in the industry, not only we. First of all, there was a fire in BSF, then there was COVID, then, China products, and sometimes, due to the climatic conditions, due to some reasons, there is scarcity. But, we plan our inventory very well and we plan in advance. We have good relationship with our suppliers and we are perfectly okay with any change in the price and as you know that the raw material cost fluctuate due to supply/demand dynamics, we at Sacheerome mitigate this through strategic sourcing and inventory management as I mentioned you earlier, and we will continue to do so effectively.
- Akshay Shah:** Okay. So, I want to understand that our end customers are FMCG companies and FMCG companies are sometimes not able to pass the increase to their consumers. So, they have passed the pressure on suppliers to absorb the price increase. So, is it the case in our industry or we are able to pass our raw material price increase to our end customers?
- Manoj Arora:** I was with some customer yesterday, out of Delhi, because they want to sell their product at a price, say, maybe Rs.10, okay, instead of reducing the price, they have increased the quantity. Okay? So, no business can survive unless they pass on the benefit. Everybody is looking for a better chunk, better share in the market, it is a competitive market and that competition is good, that is healthy.

So, we pass on the benefit to customers, our customers pass on to the consumers and it is a cycle and without that it will be difficult. One can be needy, not the greedy to survive in the business.

Akshay Shah:

Okay. Thank you so much.

Moderator:

Next question comes from the line of Vandit Shah with Abakkus Asset Management LLP. Please go ahead.

Vandit Shah:

Hi, sir. Thanks for the opportunity. I joined the call a little late, so pardon me if the questions are repetitive. There are two questions. Sir, what is the current capacity utilization? Secondly, you said your new facility would be operational by fourth quarter. So, what kind of utilization are you expecting in FY27? And, sir, I just missed it. The total CAPEX is Rs.184 crores. From that, Rs.7 crores is from IPO proceeds. And then, how much would be from internal accruals?

Manoj Arora:

We have invested accruals. I will give the figure. We have invested Rs..7.07 from IPO proceeds. And, 760,000 is our current capacity. And, as you say, necessity is the mother of invention, we were under pressure and with our operational efficiency, we are able to produce all of our customer requirements. And our new capacity will have 5x (almost) than the current capacity.

Vandit Shah:

For FY27, what is the utilization you are expecting? If Rs.27 lakhs is the capacity, so what kind of utilization are you expecting?

Manoj Arora:

More than 100%. Almost.

Vandit Shah:

Thank you so much.

Moderator:

Thank you. Next question comes from Jatin Agarwal with Manish J, Mundada & Associates. Please go ahead.

Jatin Agarwal:

Sir, I have two or three follow-up questions. You mentioned your total is Rs.182 crores, out of which you have already invested Rs.53 CR. You have some of the IPO fund remaining, around Rs.45 CR?

Manoj Arora:

More than that. About 50 CR.

Jatin Agarwal:

I cannot hear you sir. We have more than 50 CR remaining with us with the IPO proceeds. 50 CR remaining.

Jatin Agarwal:

So, there will be some balance amount. So, how are you planning to fund that?

- Jatin Agarwal:** We have the term loan from HDFC Bank and we are fully covered. And, as per need base, we will withdraw... we will utilize the term loan. We will use the internal accruals and IPO first, then we will start using as and when required.
- Jatin Agarwal:** So, how much was the term loan – would be of around Rs.60 crores if I am not wrong?
- Manoj Arora:** Yes, Rs.60 crores.
- Moderator:** Next question comes from the line of Bharat Sharma from Three Sigma Asset Managers Limited. Please go ahead.
- Bharat Sharma:** Namaskar. First of all, many congratulations and compliments for the brilliant performance of this quarter. Last time also my question we were also at 95% utilization level and we were wondering where the growth would be coming from but you have brought this number by doing magic. I will say compliments to the entire team for that. Two questions. One is that sir you used two, three words in this call, customization, tailor-made, if you can tell us in bit of a detail how you are different than the other players of industry without divulging your secrets. You are taking such a big leap so must be having some idea so if you can tell us by when can we expect that you will be able to utilize this 27 lakhs tons and move to the next expansion? These are the two questions. Thank you.
- Manoj Arora:** First of all, I am complimenting you that you have four to five questions. I appreciate, I enjoyed it one. Second, there is no magic. It is the operational efficiency. I use the word again. I just said necessity is the mother of invention. When you have pressure then you try everything. You have to improve your efficiency. You have to see that all your orders are met in time. So, we are doing that. Now, you asked about our products in detail. So, I will take two-three minutes for everyone's benefit. Friends, as I mentioned in my opening remark, we are in the business of fragrances and flavors. We are a creative house. We work on the briefs of the customers. They share the brief, geography-wise, age-wise, gender-wise, we get the requirements, and we develop the product which is supplied to one key company that becomes the proprietary right of that. We are just the custodian. We do not give that product or anything even similar to that because we are a creative house, so, we develop new fragrances, new flavors. This is what we do. We have a very big team. Our team is very experienced. I am in this industry myself for over 40-years, 45-years and I belong to third generation, Dhruv belongs to fourth generation, many people in our company are from second generation, their father was working, their son is working, their mother was working, their daughter is working. And it is like a family. Our team is very strong in the perfumery fragrance development, flavor development and the new technologies which we initiated a couple of years back because of the very demanding needs of the customers. I will not say that we are pioneers.

Yes. We took the step at the right time to provide technological supremacy and better quality products. And we will continue to do so. Sharma ji, I hope I am able to satisfy your question.

Dhruv Arora: Just to answer, Mr. Sharma, on the second part on the capacity utilization for the YEIDA facility, so, Mr. Sharma, we have been under pressure by our customers to expand the capacity and of course, we foresee demand for our products. You know, this capacity will be utilized as early as possible as per the commitments with our clients and you will be seeing in the future as we move along. Thank you.

Manoj Arora: And it is a gradual process, Sharma ji.

Bharat Sharma: I am very confident that when you have expanded to such an extent then you must be having some very say, confirmed view on the industry in the coming days?

Manoj Arora: Certainly.

Bharat Sharma: Congratulations.

Manoj Arora: Thank you very much.

Moderator: Next question comes from the line of Neerav Bhanushali with Systematics PMS & AIF. Please go ahead.

Manoj Arora: Hi, Mr. Bhanushali.

Neerav Bhanushali: Hi, sir. I wanted to understand that our current capacity is 7,60,000 kilo and the expanded capacity total is 27 lakh kilo and broadly, now we are operating at 90%-95%, 100% With this coming capacity utilization which we are saying we will ramp up and all, so should we see full utilization in '28 or '27 we will be able to utilize 50%, 60% or 70% of capacity. This is my first question. Second question is on margin. Sir, we are at the peak margin, 25% EBITDA margin. Historically, we have been around 19%-20%.

Manoj Arora: Sorry. We are not audible. What was the second question?

Neerav Bhanushali: My question is regarding the EBITDA margin. Right now, we have done 25% margin. Historically, we have operated at around 18%-20% margin. When this new capacity comes in and it will take time to ramp up, right? So we can see the expanded margins or this current margins to sustain or there will be some decline in margins and then we can see this margins again. So how do we see this?

- Manoj Arora:** Mr. Bhanushali, we will be utilizing the capacity as far as possible and depending upon the customer and we have the projections. We have the demand from India as well as global customers and we will be utilizing our capacity very, very fast.
- Dhruv Arora:** Mr. Bhanushali, I think our M.D. sir has just answered in the previous discussion that our margin expansion is very much sustainable and there were multiple factors which were leading to this contribution which is a mix of the product offerings which we are doing to our customers, our operational efficiency, the disciplined cost control, a very strong pricing strategy. So there is a lot of efforts being put in by our teams to achieve this and we hope to sustain this in the coming future as well.
- Neerav Bhanushali:** No, sir. I am getting it that this current quarter we have delivered very good margin but as the new capacity comes in by FY27, right, so it will take time to ramp up. So as you are saying, 25%, we will be able to maintain it. So that is what I am not understanding. If cost goes up and it takes time to ramp up, then what will be the actual sustainable margins we can look at?
- Manoj Arora:** As our top line grows, as our turnover grows, and which we are sure, I do not think it is a forward-looking statement, but I will say we are confident and we will be able to maintain our EBITDA margin.
- Neerav Bhanushali:** Okay. Thanks a lot, sir.
- Manoj Arora:** Thank you.
- Moderator:** Next question comes from the line of Nitesh Seth with Raedan Capital. Please go ahead.
- Nitesh Seth:** Hello!
- Manoj Arora:** Hi, Mr. Seth.
- Nitesh Seth:** Sir, congratulations on a superb set of numbers. You have beaten our expectations and market expectations too.
- Manoj Arora:** Thank you.
- Nitesh Seth:** So, sir, just a qualitative question is there. Since we are having a 5% of the turnover from the flavors business, right, and we will be having a new capacity also, since flavors market, total market size is also quite big, how do we plan to increase the market share or the incremental business in the flavors side, so some qualitative details about it would be appreciated, sir. And, sir,

for the new capacity, do we have any pre-committed business like from the customers, okay, we are giving you that contract and you go ahead with the capacity. These two would be my queries.

Manoj Arora:

Okay. You know that we are in the business of fragrances and flavors. We are already over-utilizing our capacity. And we see that there is a huge demand in the flavors. And with the dedicated tower, we are constructing two towers, one for the fragrances, one for the flavors, we will have the capacity for the flavors. And, we have the tendency of the business, when your product is being used. So the customers, they usually do not change unless and until they are changing the packing, they are changing the overall product profile. So flavors are in big demand and we are short of space, but with our new production facility, we will expand our flavor business to multiple folds.

Nitesh Seth:

And sir, is there any pre-commitment from the clients?

Manoj Arora:

As I told you, ours is a very sticky business. The customers do not change. And there is a big expansion in the FMCG food grade business in India. I will not take their name, but you can see that there are beverages, there are snacks, there were only global companies which were there in the market, look at the way the Indian companies are doing, we can foresee a very big demand and growth in our business.

Nitesh Seth:

Thank you, sir. I respect your passion and good luck for your future endeavors.

Manoj Arora:

Rest be assured we are not new in the business. I myself in the business for over 40-45 years. And as I mentioned, with many generations I have been working, and the next generation is also equally sincere, honest, and hardworking.

Nitesh Seth:

Good luck.

Manoj Arora:

Thank you.

Moderator:

Next question comes from the line of Amita Bhacha with Sadan Ventures LLP. Please go ahead.

Amita Bhacha:

Thank you for the opportunity, sir. I have one question with respect to your R&D. What is your R&D cost as a percentage of sales? And if you have been in the market for so many years, what is the average R&D cost for others if you can compare yourself with the market? I mean, I wanted to understand that you have hired so many people into R&D team, like 54 as per your reported number. I think that would give you some advantage in terms of product launch and also how many SKUs or if you want to categorize into 10, 20, whatever is the sub-category of products you have with existing setup and how much more you would add to go when you are expanding 4x, so, the number of SKUs or product categories, how you are planning to take it up to the next level in terms

of a product expansion, because the number of companies would grow because you are growing 4x, so, what is your plan for growth in terms of products?

Manoj Arora: What happened, I requested my statutory auditor to have the separate head for the R&D expenses. But there is no provision in the balance sheet, if I am not wrong, to have the separate R&D. I do not know about my other competitors how much they spend on the R&D. But we spend significant, we give the preference and we have the best of the caliber in the R&D and R&D is the backbone of our industry. Let me tell you. Please do not compare us with the other companies because we are only in the fragrance and flavor, we are not the ingredient business at all. So, R&D remains the key factor of our growth and our existence.

Amita Bhacha: Okay, sir. Point noted. Sir, how you are planning to expand the product pipeline?

Manoj Arora: We work on the briefs of the customers and we will remain in the fragrance and flavor only. And there are different product briefs and that is our forte to develop the products for the different product categories as per the requirement of the customers, which is not a new engineering every time. But yes, we use our vision, our expertise, our specialized ingredients and our cost optimization. These are the important factors for any business to grow.

Amita Bhacha: Okay. So, these R&D persons are involved into reducing the cost by doing -

Manoj Arora: They are not working to reduce the cost. They are working to develop the new products and remain competitive.

Amita Bhacha: Okay. Thank you.

Manoj Arora: Thank you very much.

Moderator: Next question comes from the line of Rajesh Garg with Piantara Wealth. Please go ahead.

Rajesh Garg: Good afternoon, sir.

Manoj Arora: Good afternoon.

Rajesh Garg: Sir, I have only a small question. Whether we can expect some revenue from your new facility in the H2 of current financial year '26 or revenue will come in '27 only?

Manoj Arora: Sorry, can you repeat the question? I am not very clear.

- Rajesh Garg:** Whether we can expect some revenue from your new facility in current year in H2 or revenue will come only in –?
- Manoj Arora:** The last quarter will be the start of the production at our new facility. But let me tell you, they will start from there maybe, but it is very small, it will take some time, but at the same time, we will continue to maintain from our existing facility and there will be no loss of any business. From the first quarter of the next financial year, the revenue will start coming from the new facility also.
- Rajesh Garg:** Okay. Thank you, sir. That is all.
- Manoj Arora:** Most welcome. Thank you.
- Moderator:** Next question comes from the line of Nikhil with Perpetual Capital. Please go ahead.
- Nikhil:** Thank you. Hi, sir. Good afternoon.
- Manoj Arora:** Good afternoon.
- Nikhil:** Thank you for the opportunity.
- Manoj Arora:** My pleasure.
- Nikhil:** My first question is can you give a split of revenue and volume for H1 between flavors and fragrances and also help us understand that within these two categories, which subcategories are actually driving the strong growth?
- Manoj Arora:** From the fragrances, we have generated around Rs.75 crores and the flavors we have generated Rs.1.46 crores. And the flavors segment which is a little sometimes seasonal and sometimes there is a demand, but we will be doing better than the previous year in the flavors also. And right now, we are a little less but we will catch up in the second half of the year.
- Nikhil:** Okay. And so within fragrance, are you seeing higher growth in fine fragrance and cosmetics or something because your realization per ton has been moving up quite significantly, so are you seeing increasing concentration of oil in fragrances?
- Manoj Arora:** This is as per the requirement of the customers as per the demand. And yes, fragrance segment is doing better and we are having better capacity to produce fragrances, and in flavors, we are doing a lot of innovation, lot of product development, and in the time to come, we will catch up with our flavors also but in fragrances, we are doing good in all the segments.

- Nikhil:** The per Kg revenue has been moving up significantly. I mean to ask about that -.
- Manoj Arora:** This is the demand of the Indian consumers that they want a better quality product and it is not that we have increased the price, but yes, India is looking for the better quality products and we have to give the products as per the requirement of the customers. We are not increasing the cost.
- Nikhil:** Okay. Thank you.
- Moderator:** Next question comes from the line of Ashish Soni from Family Office. Please go ahead.
- Ashish Soni:** Sir, regarding the capacity utilization of the new plant, right, which is almost close to 4x, so are we having confirmed orders from customers for 3x of your existing capacity from next year already?
- Manoj Arora:** Mr. Soni, we are building this new plant for tomorrow, not for today, okay? And we are going with time, when you build the new facility you have to keep a couple of years in mind, no? You cannot design the plant immediately. It is a long exercise to put up the new facility but at the same time we are very hopeful to utilize the capacity very fast.
- Ashish Soni:** Very fast? Can you explain because I think initially -
- Manoj Arora:** No, I will not make any commitment but you have seen our growth, we are showing more than 50% growth and year-on-year we have been showing very good growth and now the growth will be much faster.
- Ashish Soni:** I think another question was asked on the contract. So if your contract on the raw material side with the customers, is it a pass-through or is it a three-months or six-months lag? That is the important point I think somebody wanted to understand. Can you clarify that?
- Manoj Arora:** Okay. There are many natural products which we have to plan as per the season. There are products which are natural and their cultivation cycle is twice every year. There are some products we have to build. So we have to plan it accordingly. We have the global sourcing. There is no issue in the procurement of the raw materials. At the same time, as we have mentioned in past also, our products are the identity of the end product and our customer they continue with our product whether they buy from us, from our competitors. You know, this is a sticky business. This applies not only on us but on our competitors also. And we have very good track record of the growth.
- Ashish Soni:** My question is on contract. Your contract with the customers -
- Manoj Arora:** I will explain you. Perfume becomes the identity. This is not a commodity. They do not change unless and until there is a failure on our part to maintain the quality or not maintaining the schedule

or we increase the price. Otherwise, it is a sticky business and it remains as per the requirement of the customer. As per their needs, they buy from you only. They do not change the vendor.

Ashish Soni: That is understood sir. But question is like suppose –

Manoj Arora: We get the schedule from the customers and most of the time, we get the quarterly, half yearly or annual schedule and we supply accordingly.

Ashish Soni: But fluctuations, is it like, that is the question.

Manoj Arora: What in life does not have the fluctuation?

Ashish Soni: Take an example. Any raw materials you might be taking, right, suppose you said the price will be high, right, so, if it goes up, it might be impacting the margins, from that perspective –

Manoj Arora: This is a part of business acumen when you have to foresee and you have to maintain the inventory, you have to plan it accordingly. I do not see the reason of you not getting satisfied in my reply. Still, I will try to explain you more.

Ashish Soni: Sir, the reason for asking this question is other companies in similar group maybe are different. The raw material varies because contractually, they get impacted on the margins. So, that I is the question –

Manoj Arora: I do not know about others. Sorry. You are addressing the question regarding the other companies. We are quite consistent and quite effectively managing our operations.

Ashish Soni: Okay, sir. Thank you and all the very best.

Manoj Arora: My pleasure. Thank you very much.

Moderator: Next question comes from the line of Shikha Mehta with Time & Tide. Please go ahead.

Manoj Arora: Hi, Shikha. Good afternoon.

Shikha Mehta: Hi. Good afternoon. Sir, I had two quick questions. One is on the revenue as we have mentioned earlier in the call that, we have done whatever we could on the operational side to improve our utilization. But could you just dive a little deeper into that, because as far as my understanding, we were at 95-97% utilization and our growth this half year has been quite significant, so, I just want to understand how we have been able to do that?

- Manoj Arora:** You are 100% right and we are fortunate to get better business and we had to sit and improve our operational efficiency to meet the need of the customers and we are able to do it quite successfully.
- Shikha Mehta:** So, have we done some debottlenecking or something of that sort?
- Manoj Arora:** Sorry.
- Shikha Mehta:** Have we done some debottlenecking or how have we been able to improve our volumes?
- Manoj Arora:** I told you that we improved our operational efficiency, producing is faster, delivery is faster, we have to do it and we are able to do it quite successfully.
- Dhruv Arora:** One of the examples could be how we were able to optimize our working capital cycle as well which we have been able to operate at about 23-days compared to 45-days which we were doing in previous year. So, there I is a lot of ways in managing the show and things are working relatively to achieve better efficiencies all throughout.
- Manoj Arora:** And we hope to shift to the new plant and which will have much better capacity.
- Shikha Mehta:** Sir, in our DRHP, I think we had mentioned that the market size is Rs.4,500 crores which grows at 6-7% domestic. So, 6% of Rs.4,500 crores is Rs.270 crores and we are more than tripling our capacity. Like we mentioned earlier that our products or even our competitors' products are the identity of the FMCG player or the fragrance player. So, if we are not taking someone else's market share, essentially we are growing from the external growth coming in the industry which is Rs.270-odd crores according to our DRHP. So, can you explain this to me, because our capacity expansion is much bigger than the growth in the market, so, I want to understand that and see how we are looking at this?
- Manoj Arora:** You see, we are very small still in comparison and you should have the confidence in the company, yes, that this company has a much better scope to grow, one. Second, we are very passionate people and we are working hard and with our new product range with our new technology, yes, we are getting the preference from the customers and that is why our business is growing.
- Dhruv Arora:** Ms. Mehta, we will refer to the DHRP, the figures which you said as well, we will cross-check it. However, I am not sure what you were speaking about.
- Shikha Mehta:** The fragrances?
- Dhruv Arora:** Yes, in the fragrances and flavors we are targeting both the industries, plus, we are also targeting the markets where the size is much bigger and we are leaving no stone unturned in our journey

which is ahead. Of course, we are creating a new market for us. At the same time, if any opportunity comes in where we are taking somebody else's share as well, we are not leaving any opportunities on the table. So, it is a combined effort of organic, inorganic growth with new product developments, new innovations which is helping and we will be riding upon the same journey in the times to come forward to have better top line, better margins, better growth rates. Thank you.

Manoj Arora:

And at the same time, we are able to add new customers also and we assure you we continue to grow and give the better results.

So, may I conclude the session with the permission of all of you? And to conclude the call, I would like to thank all of you for taking out time and showing your interest.

Guys, we hope that we have addressed your questions to your satisfaction. If you have any further queries, please feel free to share them with us by e-mail. We will be happy to respond, and we assure all our investors of the company's steady growth in the coming years and in tune with the robust India which is doing well, and we are riding with the tide. India has a better acceptability and so are we and people globally and in India also are taking Indian companies more seriously. Thank you very much for joining us.

Moderator:

On behalf of Sacheerome Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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