Operator: Ladies and gentlemen, good day and welcome to Sacheerome Ltd. H1 FY27 results conference call. As a reminder, all participant lines will be in 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 being recorded. Joining us today on the call are Mr. Ankit Gupta, Managing Director, and Mr. Sameer Agarwal, Chief Financial Officer. I now hand the conference over to Mr. Ankit Gupta. Thank you, and over to you, sir.

Ankit Gupta – Managing Director: Thank you, and good afternoon, everyone. Welcome to our earnings call for the first half of fiscal year 2027. We are very pleased to report a strong set of numbers for H1, which reflects the resilience of our business model despite some macro headwinds in the global markets. Our revenue for the half-year stood at {? 1,240 crores ?}, representing a growth of 15% year-on-year. This growth was primarily driven by our domestic segment, which saw a volume increase of 12%.

Our expansion plans in the North are progressing as scheduled. We have already commissioned the first phase of our plant in Neemrana, and we expect it to reach full capacity utilization by the end of Q3. Our focus remains on premiumization and cost optimization to drive better margins in the coming quarters. I will now hand over the call to our CFO, Sameer Agarwal, to take you through the financial performance in detail.

Sameer Agarwal – Chief Financial Officer: Thank you, Ankit. Good afternoon, everyone. Talking about the margins, our EBITDA margin for H1 FY27 improved by 80 basis points to 22.5%. This was aided by lower raw material costs and better operating leverage. Net profit, or PAT, for the period was {? 185 crores ?} against 155 crores in the previous year.

Our balance sheet remains strong, with a healthy cash position of 300 crores. We have also reduced our long-term debt by 50 crores during this quarter. The working capital cycle has seen some slight elongation due to higher inventory levels for the festive season, but we expect this to normalize by the end of the fiscal year.

Operator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Rohan Sharma from ICICI Securities. Please go ahead.

Rohan Sharma – ICICI Securities: Good afternoon, and congratulations on a good set of numbers. My first question is on the North expansion. You mentioned that the Neemrana plant will reach full capacity by Q3. Can you give us some color on the expected revenue contribution from this facility in the second half of this year? Also, what is the total capex spent so far?

Ankit Gupta – Managing Director: [pause] Thank you, Rohan. Regarding the Neemrana plant, we expect a revenue contribution of around {? 150 to 200 crores ?} in H2 FY27. On the capex side, [hesitates] we have already spent about 220 crores out of the planned 250 crores for this project. The balance will be spent in the next few months as we finalize the secondary packaging lines.

Rohan Sharma – ICICI Securities: Understood. On the margins, you mentioned an 80 basis points improvement. Do you see this as sustainable, or was there any one-off benefit from lower input

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prices that might reverse?

Sameer Agarwal – Chief Financial Officer: [pause] The improvement is largely structural due to the shift towards higher-margin products. While raw material prices have been favorable, we have also implemented significant cost-cutting measures in our supply chain. We are confident of maintaining margins in the range of {? 22% to 23% ?} for the full year.

Operator: Thank you. Our next question is from the line of Amit from HDFC Mutual Fund. Please go ahead.

Amit – HDFC Mutual Fund: Hi, thanks for taking my question. Just a follow-up on the debt reduction. You mentioned you reduced 50 crores. What is the target for the end of the year, and are there any plans for further fundraising?

Ankit Gupta – Managing Director: [pause] No, there are no plans for any fresh fundraising at this moment. Our internal accruals are sufficient to fund our ongoing capex. As for debt, [hesitates] we intend to reduce another 50 to 75 crores by March 2027. Our goal is to become net debt-free by the end of FY28.

Operator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Ankit Gupta for closing remarks.

Ankit Gupta – Managing Director: Thank you, everyone, for joining us today. We remain committed to our growth strategy and are optimistic about the opportunities ahead in the festive season. If you have any further questions, please feel free to reach out to our investor relations team. Thank you, and have a good day.

Operator: Thank you. On behalf of Sacheerome Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Operator: [inaudible] questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. I now hand the conference over to Ms. Dhruvi from Equity Research Advisors. Thank you, and over to you, ma'am.

Dhruvi – Equity Research Advisors: Thank you so much, ma'am. A very good afternoon to everyone. Welcome to the H1 FY27 earnings call of Sacheerome Ltd. From the management team, we have with us Mr. Manoj Arora, the Chairman and Managing Director, Mr. Dhruv Arora, the Whole-time Director, and Ms. Aarti Kashyap, the Chief Financial Officer. We will have opening remarks from the management team, after which we will open the floor for the Q&A session. With that, I would like to hand over the call to Mr. Manoj Arora for his opening remarks. Over to you, sir.

Manoj Arora – Chairman & Managing Director: Thank you, Dhruvi. Thank you very much. Good afternoon, everyone, and thank you for joining us for Sacheerome Ltd. H1 FY27 earnings conference call. I would also like to take this opportunity to wish you all and your families a very happy Dhanteras, a joyous and prosperous Diwali, and a wonderful New Year in advance. May the year ahead bring happiness, good health, continued success, and prosperity to everyone. Thank you, and I look forward to sharing Sacheerome's continued growth journey with all of you.

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I am Manoj Arora, Chairman and Managing Director of Sacheerome Ltd. On behalf of the entire Sacheerome team, I warmly welcome you all—investors, analysts, and stakeholders. Friends, the first half of financial year 27 has been a period of steady financial growth and significant progress in strengthening our manufacturing capabilities. We continue to work closely with our customers to develop innovative fragrance and flavor solutions to meet their evolving requirements and to build the operational capabilities that will support Sacheerome's next phase of growth.

One of the most significant developments during the period was the commencement of trial production at our new Yeida facility in September 2026, marking an important milestone in our expansion journey. Let me begin with an update on our new Yeida facility. The installation and commissioning of the facility had been completed during the first half of financial year 27, and trial production commenced in September 2026. This represents a major step forward from the expansion progress we shared during our previous earnings call. I am pleased to inform you that the facility is now [trails off]

Manoj Arora – Chairman & Managing Director: [pause] It had been completed, and we are awaiting the issuance of final [trails off]

Operator: [inaudible]

Manoj Arora – Chairman & Managing Director: [pause] Production and supplies. Substantial orders and the necessary raw materials are available.

Manoj Arora – Chairman & Managing Director: [pause] Strong position to operationalize the facility and progressively scale up production. I would also like to take this opportunity to personally invite all our investors and stakeholders to visit our new facility. We would be delighted to showcase the scale of the infrastructure, the level of automation, our advanced manufacturing systems, and the investments we have made in technology, research and development, and quality infrastructure. I believe this facility will significantly enhance our manufacturing capacity, operational efficiencies, and ability to serve both existing and new customers while providing a strong foundation for our future growth. I will now hand over to Mr. Dhruv Arora, Whole-time Director of the company, to provide further significant insights into the Yeida facility, its strategic significance, and our further priorities. Dhruv Arora.

Dhruv Arora – Whole-time Director: Thank you, Manoj. Good afternoon, everyone. My name is Dhruv Arora. The Yeida facility has been designed as a smart green factory combining advanced manufacturing infrastructure with a focus on operational efficiency and sustainability. It will provide additional manufacturing capacity and in-house dedicated research and development, quality control, application, and consumer evaluation centers. These capabilities will support our work from formulation development through to testing and evaluation.

As we take the facility forward, our attention remains on establishing consistent processes and ensuring that the additional infrastructure supports customer requirements effectively. Over more than three decades, Sacheerome has built its business through technical knowledge, product development, and customer relationships. We intend to build on that experience as we expand. Alongside manufacturing capacity, we will continue to focus on the quality of our formulations, consistency in production, and the service we provide to our customers.

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Looking ahead, our priorities are clear. First, receiving the final issuance of certificates and scaling our capacity at the Yeida facility. Second, strengthening relationships with existing customers and building new relationships in domestic and international markets. Third, continuing our work in research, application development, and consumer evaluation to keep our fragrance and flavor offerings relevant to customer needs. Finally, maintaining operational efficiency and financial discipline as we grow.

We are encouraged by the progress made in the first half. Our focus for the coming months will be on carrying this work forward, meeting customer commitments, and making effective use of the capabilities we are building. Before I hand over, I would like to thank our employees for their dedication, our customers and partners for their continued support, and our shareholders for their trust in Sacheerome. I will now hand over to Ms. Aarti, our Chief Financial Officer, to take you through our financial performance for the first half of the year. Thank you.

Aarti Kashyap – CFO: Thank you, sir, and good afternoon, everyone. Let me take you through our financial performance for H1 FY27. Total income for H1 FY27 stood at Rs. 85.92 crore compared with Rs. 78.22 crore in the corresponding period last year, suggesting growth of 9.84%. EBITDA increased by 12.27% to Rs. 23.69 crore compared with Rs. 21.10 crore in H1 FY26. Our EBITDA margin stood at 27.57%. Net profit for the period grew by 12.38% to Rs. 15.79 crore compared with Rs. 14.94 crore in the corresponding half-year period. Our net profit margin stood at 19.54%. We are pleased that profitability grew ahead of income during the period, and maintaining efficiency as we expand remains a priority. Thank you once again for joining us today. With that, we can now open the floor for questions and answers. Over to the moderator.

Operator: Thank you very much. We will now begin with the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue is assembled. Thank you. We will take the first question from the line of Surendra Singh from MyEquitySherpa. Please proceed with your question.

Manoj Arora – Chairman & Managing Director: Hello, Surendra. Most welcome.

Surendra Singh – MyEquitySherpa: Hello, sir. My question is regarding this new facility. We detailed that around 180 crores would be the capex for us. However, the recent balance sheet that you published shows that our capital work in progress is only 88 crores. So, could you please bridge this number?

Manoj Arora – Chairman & Managing Director: Working capital is...

Surendra Singh – MyEquitySherpa: The facility is ready and yet to commence commercial production, although trial production is going on. I imagine that everything is done and we are ready to start our work, right?

Manoj Arora – Chairman & Managing Director: [pause] Surendra, the total capital expenditure for the Yeida facility is approximately 184 crores. As of September 30, 2026, we had incurred approximately 110 crores towards the project, funded through a combination of IPO proceeds and

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internal accruals. The IPO proceeds have been fully deployed. Does this answer your question?

Management: I... and otherwise, if you have some other question, if I am not able to fulfill your query, please ask once again.

Surendra Singh – MyEquitySherpa: Yes, sir. Since the facility is yet to start commercial production, I am sure it is not part of our property, plant and equipment on the latest balance sheet. However, the latest balance sheet talks about capital work in progress of 88 crores. So I imagine the expenses on the facility are parked there in our books as of now. When we saw the RHP, at that time the expenses on this facility were supposed to be around 180 crores. However, the latest balance sheet you published in H1 FY25 is not reflecting that.

Management: Is there anything to say about that? Do you want to say something?

Management: Hello? Yes, ma'am. The entire capex is due to the Yeida facility. We have expended the entire capex on the Yeida facility, and we are yet to capitalize some of the amount, which we are in the process of doing as per our contractual terms with the different vendors.

Management: Our production facility is ready. There are many other departments that take some time before production can start, and we are under tremendous pressure from our customers to commence supplies. So we are focused on starting supplies as soon as possible.

Surendra Singh – MyEquitySherpa: That helps, sir. So there is some more capex yet to come because you have started with the...

Management: But we have all the arrangements. We have all the arrangements. We have a 60 crore loan from HDFC, and this is fully as per the plan given to you. There is no change in that. There is no change in the capex.

Surendra Singh – MyEquitySherpa: Got it, sir. Thank you. The second point on the same topic is that when I look at the overall capex for this new facility, hardly 10% is going into plant and machinery. I was imagining that we are a manufacturing company. However, when I look at the breakup...

Management: It is part of the production. You cannot produce the material or cater to the customers without it. In a kitchen, you have so many things, but ultimately the stove, or the equipment that makes flatbread and everything else, is what matters. I hope you understand. It is the combination of all the different facilities that come together to produce the material. If you want a detailed reply, you can write to us. We can give you all the details. Everything is connected with production.

Surendra Singh – MyEquitySherpa: Sure, sir. The last question, sir, is that when I look at your published numbers for the last 5 years, I am quite impressed with the balance sheet and the cash flow statement. What makes me wonder is that the listed players in this business usually show cyclicality in their results. However, we...

Management: They show, they show...

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Surendra Singh – MyEquitySherpa: Cyclicality. Sometimes business goes up, and sometimes it goes down. However, we have been very consistent in our revenue growth, our...

Management: That is not in your hands. If the business is going up, it is going up. If the business goes down for somebody, we cannot help it. But I have mentioned in my previous interactions also that we have not even touched the tip of the iceberg. The industry is so big. We are very small at this stage.

Surendra Singh – MyEquitySherpa: Yes, understood, sir. My question was twofold. First, what makes us so special that we deserve such idealistic traits? Second, we have been established for around 34 years, but our growth in the recent 3 years has been very good. What has changed in recent times? These are the 2 topics I would like you to address.

Management: I think we have discussed this topic many times. But it takes a long time for the market to accept you. It took me decades to convince customers that we are capable of producing. Look at India's growth story. India has started growing very fast in recent times. We are also part of that growth journey. Thank you very much, Surendra.

Surendra Singh – MyEquitySherpa: I am good, sir. Thank you.

Management: Thank you.

Operator: Thank you. We take the next question from the line of Pratiti Kara from Param Capital. Please proceed with your question.

Management: Pratiti? Hello, Pratiti.

Pratiti Kara – Param Capital: Yes, sir. I just wanted to understand the capex that we incurred. What is the...

Management: Can you be a little louder? You are not properly audible.

Pratiti Kara – Param Capital: Hi, is this better now?

Management: Not much better. A little more, please.

Pratiti Kara – Param Capital: Sir, I wanted to understand the capital expenditure that we incurred. What is the...

Management: About what?

Pratiti Kara – Param Capital: The capital expenditure that we incurred. What is the asset turnover that we expect from the new Yeida facility?

Management: Ms. Pratiti, can you be a little clearer? Your voice is not very loud and clear. You said the capital expenditure that we made...

Pratiti Kara – Param Capital: I wanted to understand the asset turnover that we expect from the new Yeida facility.

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Management: So you want to know the projections?

Pratiti Kara – Param Capital: Correct. What revenue can we expect from this new facility?

Management: We can give you the figure for the combined group, and we have given it earlier as well. We will meet the projections given earlier.

Pratiti Kara – Param Capital: Sir, we have given 300 crores as the projection for FY29, but we are doing capex of 184 crores, if that is what you mentioned, correct? So we expect an asset turnover of around 1.5. From this facility, the asset turnover would be around 1.5 to 2x, at a bare minimum, right?

Management: Okay.

Pratiti Kara – Param Capital: So the 300 crore revenue target is a little on the lower side, right? Because we already have the older facilities as well.

Management: Yes. We believe in giving conservative figures, and we have always performed better than what we have committed.

Management: Ms. Pratiti, our investment in the Yeida facilities is aimed at supporting our long-term capacity expansion and business growth. While the addition of these assets may initially moderate the asset turnover ratio, the facility is designed to provide scalable manufacturing capabilities and support our future business requirements. You were discussing the 3-year horizon that we have given at this moment. As production ramps up, which should happen very soon, the commercial orders will translate into revenues. We expect better utilization of these assets. Our focus will be on improving overall operational efficiency and increasing utilization, generating incremental revenues accordingly, which will improve asset turnover and help us achieve better efficiency.

Management: So it should be around 1.

Management: It is around 1.

Pratiti Kara – Param Capital: 1, okay. What is the expected timeline for full utilization of this new facility?

Management: Regarding utilization of the full capacity, we are ready to support it as soon as possible, but it will gradually ramp up. We are starting with this facility, so it will take some time.

Pratiti Kara – Param Capital: Okay, sure. Could you highlight a little more on the growth drivers and the plan for the next 3 years?

Management: You mean the growth drivers for the future?

Pratiti Kara – Param Capital: Correct.

Management: As a company, we are looking at a lot of positive tailwinds that are helping us grow at this moment. As we move through this facility, apart from ramping up production, we are entering newer technologies, newer creations, and newer territories. We are further improving our

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relationships with existing clients and pitching for a larger portion of their existing portfolios. Our clients are coming up with many new launches and innovations. You can see how resilient Indian companies have been over the years. Earlier, perhaps 10 launches were happening in a year; now those launches have multiplied. As consumption in this country grows, people are spending more and they see the value in many of these food and non-food consumer products. We are directly linked to the consumer industry. As our customers continue to grow, we will also... [trails off]

Management: ...along with them, drive up the value chain and continue to focus upon... Jagdish... on this.

Management: I would like to add that {? Fragrance and Flavor ?} is not limited to the established players. A couple of days ago, there was news in the Economic Times with the title "Glamming Up: D2C beauty brands shine." New companies are doing very well, such as Dot & Key, Foxtale, Minimalist, and many others. We are also growing with them. The industry is growing very fast. India is doing well. Fragrance and flavor are integral parts of the end product and are its identity. Given the kind of response we have and the kind of business pressure we have, we hope to do very well.

Pratiti Kara – Param Capital: No, that is very helpful. Thank you so much, sir.

Management: Thank you.

Operator: We take the next question from the line of Shalini Gupta from East India. Please proceed with the question.

Shalini Gupta – East India: Yes, congratulations on your {? Yeida ?} facility. Can you hear me?

Management: Yes, Shalini. Thank you very much. Thank you for joining us. I can hear you.

Shalini Gupta – East India: When would it be possible for us to come and visit?

Management: Anytime, perhaps tomorrow. We would be very glad to receive you and show you our robotic production systems, our entire setup, and the large-scale infrastructure. You are most welcome anytime. Please let us know.

Management: Yes, Shalini.

Operator: Hello, Ms. Shalini, can you hear us now?

Shalini Gupta – East India: Sorry, can you hear me now?

Management: Yes, Shalini, we can hear you. Please go ahead.

Shalini Gupta – East India: Growth was only 10%, which is far lower than the growth you have shown so far. So... [cut off]

Management: Well, {? 4% ?}, and now we are working at around {? 28% ?} of our capacity. Our new production is not included in this.

Shalini Gupta – East India: I am sorry, this does not include your new production, does it?

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Management: No. This is from our existing facility.

Shalini Gupta – East India: I see. That is why. That facility was already facing a capacity constraint.

Management: Yes, absolutely. You are 100% right. Also, Shalini, this represents only 6 months. It does not reflect the performance for the full year. What you are comparing is the performance for the full year. We expect much better growth in our sales revenue as well. As you are aware, we are working across different categories. We are totally dependent on customers and on when they launch their products. We are expecting many new products to be launched in the future as well, and we expect to see much better growth rates in the coming period. Once the production from the new facility also begins... I hope you understand.

Shalini Gupta – East India: My second question is that gross margins were up for the half-year. How did you achieve this? It is very difficult to achieve price increases in the industry. It does not happen so quickly.

Management: This is due to operational efficiency and operating at maximum capacity utilization. There are many factors that help us achieve this, and the industry is very supportive. We hope to continue doing much better in that regard.

Shalini Gupta – East India: Depreciation has increased by only 20%, while capacity has gone up 3.5 times. In the future, we expect to see higher depreciation. What is your view on that?

Management: There will certainly be depreciation. At the same time, we will also have a much larger turnover, Shalini.

Shalini Gupta – East India: These were my questions. I hope to see you...

Management: Anytime. We look forward to it. We look forward to it.

Shalini Gupta – East India: Definitely, sir. Thank you.

Management: Thank you very much, Shalini. Next question, please.

Operator: We take the next question from the line of Pratham Shah from Resurgens Capital. Please proceed with the question.

Management: Hello, Mr. Shah.

Pratham Shah – Resurgens Capital: Am I audible?

Management: Yes, you are audible, Mr. Shah.

Pratham Shah – Resurgens Capital: Congratulations on the robust performance. My first question is about Kanchi Fragrances and Chemicals Private Limited. Is it in any way related to any of our family members or our company?

Management: [pause] We got separated around 27 years ago, and I will not comment on them. We are completely involved in different businesses and different kinds of activities. You can see them

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on Instagram selling different kinds of products. We have nothing to do with them at all.

Pratham Shah – Resurgens Capital: So there are no transactions between our company and their company?

Management: Not at all. Not at all. Not at all.

Pratham Shah – Resurgens Capital: The second company was Care PC&H, where I think Ms. Alka Arora also owns 2% of it.

Management: Yes, you are right.

Pratham Shah – Resurgens Capital: Is that also related to us?

Management: My daughter has a 98% stake in that, and my wife, Alka, has 2%. That is my daughter's business. I have nothing to do with that business.

Pratham Shah – Resurgens Capital: Understood. That was all.

Management: Any other question, Mr. Shah?

Pratham Shah – Resurgens Capital: No, that is all. Thank you.

Management: Thank you very much, Mr. Shah. Next question, please.

Operator: We take the next question from the line of Janvi Shah from Share India Securities. Please proceed with the question.

Management: Hello, Ms. Janvi. How are you?

Janvi Shah – Share India Securities: I am fine, sir. Thank you so much for the opportunity, and congratulations on the results. I have not been following the space for a long time, but it did come onto my radar. I am sorry if my questions sound basic. While I was reading about it, and as you said, fragrances in the food space are doing very well in India, I see some growth coming from there. I wanted to understand, from a basic business perspective, how you see this growing. I know you answered the industry question, but on a more unit-economic basis, I see your margins growing while your material cost is not growing as much. There is some operating leverage coming in, and I think that with the newer plant becoming operational, we will see more operating leverage on that side. I would like some idea about your raw materials, your constraints, and the products in your portfolio that you see becoming the drivers of revenue and margins.

Management: First of all, let me tell you that all your questions were very intelligent questions, trust me. Second, consider the growth in FMCG. Earlier, we used to eat fox nuts, but now you get so many different flavors and seasonings of fox nuts. Or take the example of soaps and detergents. Earlier, families used to buy one soap for everyone. Now, each person has multiple soaps or multiple shampoos and different products. The industry is growing exponentially, and India's purchasing power is growing very fast. Products that were once luxuries have become necessities. We support the industry by providing innovative products and new solutions, and the industry will grow very fast. You will continue to see new products.

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Management: Janvi, adding to that, in one of the previous earnings calls, Mr. Arora focused on the fact that we Indians, as consumers, were always drawn towards foreign brands and gave less preference to Indian brands. India has shown so much resilience, and Indian companies have shown so much resilience. If you look at the beautiful brands out there and how Indian manufacturers are performing, Indians take pride in using Indian products. The performance, portfolios, packaging, and ethical working of these companies have brought India to the forefront. As consumption increases in our country, we will continue to do well. We are... [inaudible]

Management: ...not lacking anywhere in the world in terms of quality and technology. As a company, we feel that we can do better, and we will continue supporting them with the best formulations and support them on quality. [pause] My next question was about raw materials. We use aromatic chemicals, essential oils, resinoids, absolutes, and aroma molecules as raw materials. These are all used as per global IFRA guidelines. There is a well-defined system globally that we follow in full. We also follow very precise guidelines depending on the different countries where we cater to our customers' requirements. On the raw material side, we have long-term relationships with vendors that have been built over multiple decades. We always stay very close to them, and we protect ourselves against any sudden short-term impact on the industry.

Mr. Arora: [pause] Your question is very interesting. You are giving the long replies. There was a time when people used to go abroad and bring back shampoos and soaps. Now, do you see anybody bringing these things? India is a global hub for high-quality products. This is the India where a beverage company has challenged all the major global players in the carbonated drinks sector, and they are doing very well. We feel proud, and it is a matter of pride for all of us that Indian companies are doing well. We are also focused on foreign companies and many others. Indian companies are doing very well, and they will continue to do better. We will support them with great products at very competitive prices.

Janvi Shah – Share India Securities: I completely understand that. On the operating leverage, I see that our margins are growing.

Janvi Shah – Share India Securities: Do we see anything improving further, or will margins remain stable? From the product perspective, whether in fragrances or flavors, where do you see more traction or demand coming from? Which area is our USP?

Mr. Arora: As a company, we will strive to perform at our best. Both fragrances and flavors are growing very fast. Fragrances are used in non-food FMCG, and flavors are used in food FMCG. Our new facility will give us significant scale to grow. This is the first step toward our real growth. Thank you.

Janvi Shah – Share India Securities: Thank you so much, sir.

Operator: We will take the next question from the line of Satvik Pandya from CenTrust Capital. Please proceed with your question.

Satvik Pandya – CenTrust Capital: Hello. Am I audible?

Mr. Arora: Hello, Mr. Pandya. Yes, you are audible, Mr. Pandya.

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Satvik Pandya – CenTrust Capital: Thank you very much. My first question is regarding the market size that is there today in India and the market size that may exist by 2034, at almost {? 8,000 crores ?}. Given the kind of revenue that we are doing, and as you said, we are not even at the tip of the iceberg, I want to understand how quickly you want the next capacity or the next phase of growth to come in after this facility is commissioned. There appears to be significant potential when I hear you discuss the business and the products. Where are we heading in this regard?

Mr. Arora: Mr. Pandya, thank you very much for showing your faith and further confidence in our ability to scale up. We have a 21,500 square meter plot. We are putting the power facility on half of the plot. I will not commit to anything because that would be a forward-looking statement, but we will continue to do our best and we are not going to stop.

Aman: Mr. Pandya, just to add to what Mr. Arora said, in the past we have also mentioned that we have plans to set up global research and development centers, fabrication centers, and information technology centers. In terms of manufacturing, although Mr. Arora has covered that we have enough land in Noida to take care of our future requirements and build further facilities, in terms of technology development we will continue to invest and continue to engage with our customers here in India and all over the world to remain closer to them and fulfill their requirements.

Satvik Pandya – CenTrust Capital: Understood. My understanding was about what we expect this facility to run at optimum capacity so that our...

Mr. Arora: [cut off] Very soon. We will try our best to bring this facility to optimum utilization and will plan further growth as soon as possible.

Satvik Pandya – CenTrust Capital: One last question. Given the industry we are in, particularly fragrances, there have been instances of fire incidents at one of our listed peers. God forbid...

Mr. Arora: [cut off] Sir, can you give the example?

Satvik Pandya – CenTrust Capital: S H Kelkar had...

Mr. Arora: [cut off] That happened in their ingredient manufacturing facility. We are not an ingredient manufacturer. There was also a fire at Aroma De France. They do bottling, and we are not in that business. Anything can happen anywhere.

Satvik Pandya – CenTrust Capital: My question was not regarding that. My question was about what measures we are taking to...

Mr. Arora: We are taking all the measures. These are not low-flashpoint products. Our products are not highly flammable. They do not use alcohol or any highly flammable material. We are taking all precautions. We are putting up a world-class facility.

Satvik Pandya – CenTrust Capital: Understood. In the southern part of India, what are we targeting in terms of the newer markets that we have been discussing?

Mr. Arora: I am sorry, could you repeat that?

Satvik Pandya – CenTrust Capital: We were trying to enter the southern part of India as well.

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Aman: Regarding the southern part, Mr. Pandya, we are very active in southern India. There are many large companies there, and we are very strong in that region. We are working with companies that cater to India as a whole and with regional companies. We cater to the requirements of regional players as well as pan-Indian players, and many of our customers have a very strong presence in southern India. We therefore hold a good position in those markets.

Satvik Pandya – CenTrust Capital: Understood. Thank you for taking my questions, and I wish the team all the best for...

Mr. Arora: Thank you very much. Thank you for your support.

Aman: Thank you, Satvik. Thank you, Manoj.

Mr. Arora: Thank you.

Operator: We will take the next question from the line of Smitesh from Vedant Capital. Please proceed with your question.

Smitesh – Vedant Capital: Hello. How are you? Congratulations on starting the Noida facility. We understand that you worked very hard to make it commercially viable. For the next year, as you mentioned in the opening remarks, there is significant pressure from customers. Can we expect similar margins and similar realizations to what we achieved from the existing setup? I understand that the facility will take time to ramp up in terms of working capital and other requirements. Can we expect a faster ramp-up, and by when do you expect this capacity to be fully utilized in terms of products?

Mr. Arora: [pause] I do not see any reason why we would not maintain our profit margin and EBITDA. We do not see any challenge. Regarding the ramp-up, we will try to ramp up as soon as possible. We are under tremendous pressure from our customers, and you can already see that we are working at much more than our capacity. The ramp-up should happen very quickly.

Management: [pause] I can assure you.

Smitesh – Vedant Capital: That is all, sir. I got my answers. Thank you very much.

Management: Thank you very much. Most welcome, sir. Thank you.

Operator: Thank you. We have the next question from the line of Preeti Vorra, an individual investor. Please proceed with your question.

Arora: Hello, Ms. Vorra.

Management: Hello.

Arora: Hi, Ms. Vorra. How are you?

Preeti Vorra: I am good. First of all, congratulations on a great set of numbers. My first question is: how much of the additional capacity at the Yeida plant is already supported by confirmed customer demand, and how much will depend on securing new orders?

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Arora: Very good question, Ms. Vorra. We have a lot of demand, and the Yeida facility will be under pressure to ramp up production and start supplies. We do not see any challenge in that, and we will try to do our best.

Management: Ms. Vorra, I will continue from what Mr. Arora said. We are working with large FMCG companies in India, as well as mid-sized and small companies. In terms of demand, these companies are growing year-on-year. You know how this business works. Fragrance and flavor is a very sticky business. Once a product enters your home, and if you like it, it becomes part of your daily routine. You use it because that product stays with you. Similarly, these products do not change very often unless there is a change in quality or regulations, which are easily managed by companies like us, and we provide solutions to our customers. Regarding confirmed orders and how much of the order book is required to utilize our facility, we see these orders coming in consistently. This has been the trend in the past, and it is the norm in this industry.

Management: We are definitely keen to secure new business in the future. At the same time, as I said, this is a very sticky business. We have continuity from our existing customers, who will continue to grow and buy these products from us.

Preeti Vorra: I understand, but could you give us an approximate percentage?

Management: It would be very difficult to quantify this as a percentage. However, this is the norm in our industry. We have customers with whom we have been dealing for multiple decades. As long as the product performs well in the market, we will continue to be part of that supply chain. We are already operating at {? 28% ?} higher than our capacity, and we are under tremendous pressure. You can visualize where we are going and how soon we can bring this new facility to the maximum possible level of utilization.

Preeti Vorra: My second question is about the upcoming IFRA 52nd amendment in January 2027. What proportion of S.H. Kelkar's existing fragrance formulations is likely to be affected by that, and what steps has the company taken to manage the impact?

Arora: [pause] IFRA amendments are a routine process. There are always amendments, and we have to adopt them. We receive information well in advance about what is going to change, and we prepare ourselves accordingly. We make submissions to our customers. This is a routine matter for us and is not something new.

Management: With global regulatory vigilance, the objective is for consumers to use better ingredients and better formulations. As Mr. Arora said, this is a continuous process. You mentioned that this is the 52nd amendment, which means this has happened 51 times before, and it will continue to happen every year. We comply with all global regulations, including regulations other than IFRA. There are many others that we comply with for customer requirements, and we do not see any challenge in that.

Arora: As I mentioned, it is part of our life and part of the game. It happens for the benefit of the customer, for better safety guidelines, and for better standards. The best thing is that we are a company that complies with all these guidelines in full.

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Preeti Vorra: That answers my question. Thank you very much.

Arora: Most welcome.

Operator: Thank you. Before we proceed with the next question, a reminder to all participants: if you wish to join the question queue, you may press star and one on your touchtone telephone. Participants, if you wish to ask a question, you may press star and one on your touchtone telephone. The next question is from the line of Yash Jain, an individual investor. Please proceed with your question.

Arora: Hello, Mr. Yash Jain. How are you?

Management: Hello, Yash.

Yash Jain: Very well. Thank you very much. Congratulations on your excellent results. I have a couple of accounting questions. What would be the expected H2 depreciation?

Arora: Yes, yes.

Yash Jain: What will be the range of depreciation in H2?

Arora: Our CFO will reply on this. However, our depreciation and interest are not going to have a very significant impact on our overall performance because our turnover is also increasing very fast.

Yash Jain: If you can provide any range?

Arora: This will depend on the day we start production. It will be calculated from that day. Very soon, we will provide you with the exact number. If you want, we can share it with you by email.

Yash Jain: Okay. Thank you for the clarification.

Arora: Rest assured, we are a seasoned player. We will mitigate the impact and try to maintain PAT, EBITDA, and everything else. We are a very conscious company. We know that our investors should not be affected in any way.

Yash Jain: Got it. Thank you so much for the clarification.

Arora: Thank you so much, Yash.

Operator: The next question is from the line of Ankit Gupta, an individual investor. Please proceed with your question.

Ankit Gupta: Hello. Am I audible?

Arora: Yes. How are you, Mr. Gupta?

Ankit Gupta: I am good, sir. Thank you for taking my question. First of all, congratulations on the great numbers. My question is about competition. I was reading a report, and you can correct me if I am wrong. I think it was HUL or another large FMCG company that had said it was testing its own internal fragrance laboratories or conducting some experimentation. Is my understanding correct?

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Arora: If HUL is large, then the other customers are also large. This is a continuous process of developing products. We are still a small player, and the market is very large. Therefore, it does not impact [trails off]

Mr. Gupta: ...us. On the contrary, it motivates us. Every company tries to develop new products, and we are also doing this for several companies. Every company does not have an in-house facility.

Ankit Gupta: I was trying to understand this while reading your financial statements. I think you have been operating for around 30 years, since 1991. Why have companies not developed in-house fragrance laboratories, such as Nestle and others?

Mr. Gupta: Everybody cannot do everything. This is a very specialized industry. It is a business of skill and experience. We are here to serve them, and this is what is called innovation. We benefit from our skills and experience in this area.

Management: Mr. Gupta, I would like to give another example, which Mr. Arora [hesitates] must have given in the past as well. Take the example of going to a salon and getting a haircut. You can see the entire process of somebody styling your hair. It looks simple because they are using the same pair of scissors and cutting your hair in front of you, and perhaps you could record the entire process as well. At the same time, it is the work of a specialist. If you try to cut the same hair [hesitates] on somebody else or on yourself, you would not get the same result. It could be a hit or a miss, and nobody can take that risk today.

Fragrance and flavor is a very specialized industry. It is used in daily consumption. You use these products for your children, your parents, and your family members. They become part of your daily life, not just for a short time, but from the time you grow up throughout your life. Habits are formed around the continued use of these consumer products.

These products involve many challenges, including newer technologies, newer developments, keeping pace with regulatory requirements, controlling costs, and continuing to innovate because trends keep changing. In any line of business, it is therefore very important to have specialists. We believe that there are significant entry barriers in this line of business, which is why years of practice are required. It is also a widely quoted fact that there are more astronauts in the world than perfumers. I hope I have been able to give you some insight into this industry.

Ankit Gupta: Yes. Thank you.

Operator: Thank you. As there are no further questions, I would now like to hand the conference over to Ms. Dhruvi for closing comments.

Dhruvi – Equity Research Advisors: Thank you, ma'am. On behalf of Sacheerome Ltd. and Equity Research Advisors, I thank everyone for taking the time to join today's conference. If you have any queries, you can connect with us at info@equityresearch.com. Once again, thank you for joining the conference.

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