

Rating: Neutral

Issue Offer

Fresh Issue of 60,40,800 Equity shares aggregating up to INR 616.16 Mn

Issue Summary

Price Band INR	96-102
Face Value INR	10
Implied Market Cap INR Mn.	2,282
Market Lot	1,200
Issue Opens on	June 9, 2025
Issue Close on	June 11, 2025
No. of share pre-issue	1,63,32,000
No. of share post issue	2,23,72,800
Listing	NSE SME

Issue Break-up %

QIB Portion	≥ 50%
Retail Portion	≤ 35%
NII Portion	≤ 15%

Registrar

MUFG Intime India Pvt. Ltd.(Link Intime)

Book Running Lead Managers

GYR Capital Advisors Pvt. Ltd.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	98.00%	71.54%
Public & Others	2.00%	28.46%

Objects of the issue

- Setting Up a new manufacturing facility
- General corporate purposes

Sacheerome Limited is a creative and innovation-driven manufacturer of fragrances and flavours, catering primarily to the B2B segment of both food and non-food FMCG categories. Established in 1992 by Mr. Manoj Arora, a third-generation entrepreneur in the aroma industry, the company initially focused on fragrances and expanded into the flavours business in 2014. Headquartered in Okhla Industrial Area, New Delhi, Sacheerome serves a wide array of industries, including personal care, home care, food & beverage, confectionery, and pet care. The company has steadily built a reputation for delivering bespoke fragrance and flavour solutions, supported by in-house R&D, a team of trained perfumers and flavourists, application laboratories, and global regulatory certifications including IFRA, FEMA, ISO 9001:2015, and FSSAI compliance.

Investment Rationale

Diversified and Customised Product Portfolio with Strong B2B Clientele: The company offers a broad spectrum of over 6,000 fragrance and flavour formulations across categories such as fine fragrances, personal care, household care, food and beverages, confectionery, and pet care. The company's ability to co-create tailored formulations in collaboration with clients enhances product personalization and relevance in highly competitive consumer segments. Company's clientele includes several reputed FMCG companies, cosmetic manufacturers, and food processors, further underscoring its positioning as a trusted solutions provider. The company's B2B business model, focused on long-term client engagement, supports high repeat business and limits working capital intensity compared to B2C players.

Strong In-House R&D and Application Capabilities: A key differentiator lies in company's robust R&D infrastructure and innovation-led culture. The company operates in-house fragrance and flavour creation labs equipped with modern testing instruments (GC-MS, density meters, pH meters, etc.), odour-controlled chambers, and stability/shelf-life testing setups. It also houses a skilled team of perfumers, flavourists, and formulation technologists working closely with clients to tailor olfactory and gustatory solutions aligned with global trends.

Experienced Promoters with Deep Domain Knowledge: The company benefited with a highly experienced promoter and leadership team. Mr. Manoj Arora brings over 40 years of industry experience, supported by Ms. Alka Arora (26+ years) and Mr. Dhruv Arora (14+ years). Their long-standing domain knowledge, deep client relationships, and understanding of sensory science offer a strong strategic advantage. The continuity in leadership also ensures sustained focus on quality, compliance, and customer-centric innovation.

Established Global Standards and Quality Certifications: These certifications reflect its commitment to global quality benchmarks and open up opportunities to serve reputed multinational clients. Moreover, its status as a member of Chemexcil and FAFAI strengthens its industry credibility. The adoption of stringent quality assurance at each stage from raw material procurement to final product dispatch ensures consistent product performance and reinforces its positioning as a reliable partner in the value chain.

Valuation and View: The company's diversified and customized product portfolio, backed by strong R&D capabilities and long-standing B2B relationships, positions it well to capitalize on growing demand across FMCG, personal care, and food sectors. Its focus on client-specific innovation, premiumization, and adherence to global quality standards enhances client stickiness and creates high entry barriers. With experienced promoters at the helm and a scalable B2B model that supports repeat business while limiting working capital needs, the company is well-placed for steady growth, de-risked revenue streams, and increasing traction among both legacy players and emerging D2C brands. **At the upper band of INR 102, the issue is valued at a P/E ratio of 14.28x, based on PAT of FY25 EPS of INR 7.14. We are recommending a "Neutral" for this issue currently.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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