



IPO Note

Sacheerome Limited

Recommendation: **APPLY!**

Company Background –

- **Incorporation:** **Sachee Fragrances Limited** was originally incorporated on Jun 19, 1992. The name of company was changed to **Sacheerome Limited**. The registered office is located at New Delhi.
- **Business Activity:** The company is engaged in the designing and **manufacturing fragrances and flavours**.
- **Revenue Stream:** The company generates majority of its revenue from fragrances segment.
- **Human Resource:** The company had **158** permanent employees as of Mar 31, 2025.

Objects of the Issue –

1. Setting up a new manufacturing facility at 1459b, Sector-32, Yeida, Gautam Buddha Nagar, UP-203209
2. General corporate purposes

Promoters Name –

Mr. Manoj Arora, Mrs. Alka Arora and Mr. Dhruv Arora

Rationale for recommendation –

Sacheerome Limited has demonstrated **strong operational and financial performance**, with **consistent growth in revenue, improving EBITDA and PAT margins, and strong return ratios**. The company has maintained **positive operating cash flows** and **improved working capital efficiency**, indicating financial discipline. While the management team is still gaining experience in compliance functions, the overall structure is **satisfactory**. The planned use of IPO proceeds to set up a new manufacturing facility is expected to drive further growth and margin expansion. Given its long-standing presence, **fair valuation**, and **growth potential**, we recommend investors to **APPLY** to this IPO.

IPO Details

Opening Date	Jun 09, 2025
Closing Date	Jun 11, 2025
Allotment Date	Jun 12, 2025
Listing Date	Jun 16, 2025
Stock Exchange	NSE SME
Lot Size	1,200 Shares
Issue Price Per Share	₹96 - ₹102
Issue Size	61.62 Cr.
Fresh Issue	61.62 Cr.
Offer for Sale	-
Application Amt	₹ 1,22,400 (1,200 shares)

INDUSTRY – Fragrances and Flavours

	KPIs (In Lakhs)		
KPI's	FY 23	FY 24	FY25
Revenue	7,049.19	8,509.53	10,753.59
EBITDA	992.78	1,515.12	2,286.44
Net Profit	599.41	1,067.30	1,598.20
RoCE	22.52%	27.93%	32.65%
ROE	16.97%	23.20%	25.78%
P/E	27.79	15.60	10.42

Promoter Share Holding Pattern

Pre-Issue	Post Issue
98.00%	71.54%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	9.79	7.14
BVPS	37.95	27.71
P/E	10.42	14.28
P/BV	2.69	3.68
Mkt Cap (In Cr)	166.59	228.20

*Annualized

Lead Managers –

- GYR Capital Advisors Private Limited

Registrar –

MUFG Intime India Private Limited

Business Overview –

Sacheerome Limited, founded in 1992 by Mr. Manoj Arora, is a B2B creative house engaged in designing and manufacturing fragrances and flavours for food and non-food FMCG sectors. Initially focused on fragrances, it expanded into flavours in 2014 with dedicated R&D and application centres. The company serves leading Indian and global brands with tailored solutions backed by consumer insights and innovation. In August 2024, it became a public limited company, adhering to global standards under the leadership of Mr. Arora, who brings 40+ years of industry experience.

Main Objects of Sacheerome Limited -

- 1. Chemical and Fragrance Manufacturing:** The company is engaged in manufacturing, processing, and trading of a wide range of industrial chemicals, essential oils, aromatic compounds, and perfumery products used across pharmaceutical, textile, agrochemical, and FMCG sectors.
- 2. Cosmetics and Personal Care Products:** It undertakes the production and sale of various cosmetic and personal care items, including deodorants, skin and hair care products, oral care, soaps, and perfumery compounds, catering to both medicated and non-medicated segments.
- 3. Packaging Solutions:** The company also manufactures and deals in diverse packaging materials such as bottles, containers, cartons, and tubes made from plastic, glass, paper, and other industrial materials used for its own and third-party product packaging needs.

Major Events and Milestones -

Year	Event
2005	Achieved global expansion into Middle East (UAE) and African markets
2014	Launched Flavour division with a team of trained flavourists
2015	Achieved global expansion into the North American markets
2020	Allotment of land in YEIDA for establishment of new manufacturing unit
2023	Construction of new factory unit in YEIDA started

Awards and Accreditations – 2016 – SME India 100 Awards

Manufacturing Facilities –



Product Portfolio -

Product	Applications	Product	Applications
Fragrances		Flavours	
Personal Wash	Toilet Soap, Facewash, Handwash, Shower Gel	Beverages	Juices, Carbonated & non carbonated drinks, Energy drinks
Fine Fragrance	Eau de Parfum (EDP's), Parfums, Cologne, Attar	Bakery Products	Biscuits, Cakes, Cookies, Crackers, Muffins
Body Care	Deodorant, Body Cream, Lotion, Face Cream	Seasoning	Extruded snacks, Chips, Dips, Pickles, Ready to cook food, Ready to eat snacks
Fabric Care	Detergent Cake, Detergent Powder, Fabric Softner, Liquid Detergent	Health & Nutrition	Cereal Bars and Weigh Protein powders
Home Care	Dish Wash, Floor Cleaner, Floor Disinfectant	Oral Care	Mouthwash, Toothpaste, Tooth serums
Cosmetics	Make Up, lip care products, nail polishes	Dairy Products	Ice Creams, Flavoured Milks, and Yoghurts
Hair Care	Hair Oils, Shampoos, Conditioners, Hair Colours, Hair styling products	Confectionary	Chocolates, Candies, Chewing gums, Lollipops

Capacity Utilization of the Company -

Product	FY23		FY24		FY25	
	Installed Capacity (in Kg)	Capacity Utilization (%)	Installed Capacity (in Kg)	Capacity Utilization (%)	Installed Capacity (in Kg)	Capacity Utilization (%)
Fragrance and Flavours	7,60,000	75.21%	7,60,000	87.59%	7,60,000	97.40%

Product-wise Revenue Bifurcation -

(Amt in Lakhs)

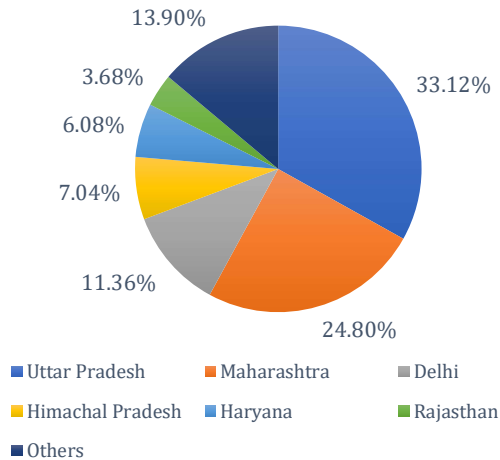
Particulars	FY2023		FY2024		FY2025	
	Amt	%	Amt	%	Amt	%
Fragrance	6,430.99	91.23%	7,833.11	92.05%	10,211.08	94.96%
Flavours	603.60	8.56%	659.50	7.75%	524.72	4.88%
Others (Scrap Sale)	14.60	0.21%	16.92	0.20%	17.79	0.17%
Total	7,049.19	100%	8,509.53	100%	10,753.59	100%

Geographic-wise Revenue Bifurcation -

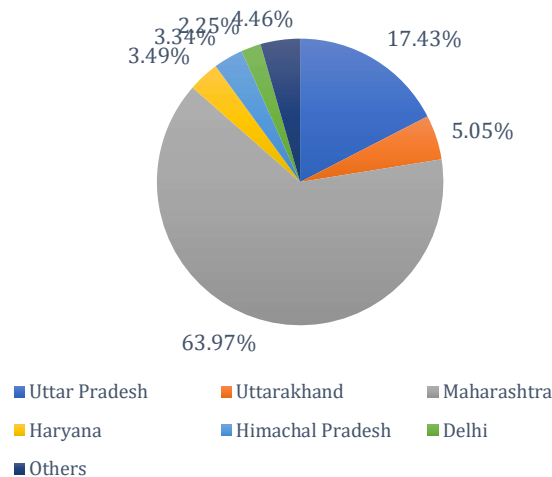
(Amt in Lakhs)

Particulars	FY2023		FY2024		FY2025	
	Amt	%	Amt	%	Amt	%
Domestic Sales	6,786.12	96.27%	8,083.78	95.00%	9,933.08	92.37%
Export Sales	263.07	3.73%	425.75	5.00%	820.51	7.63%
Total	7,049.19	100%	8,509.53	100%	10,753.59	100%

Fragrances - State-wise Revenue Bifurcation - FY25



Flavours - State-wise Revenue Bifurcation - FY25



Competition -

- Market Competition:** The industry is highly competitive and the key factors of competition are quality, pricing, supply reliability, client servicing etc.
- Geographic Competition:** The company faces competition from domestic and multinational fragrances and flavours manufacturers in India and outside India.
- Barriers to entry:** Low barriers to entry.
- Threat of Substitutes:** High threat of substitutes.
- Bargaining Power of Buyers:** The bargaining power is high with the customers.
- Bargaining Power of Suppliers:** The bargaining power is low with the suppliers.

Business Strategies -

- The company is establishing a **modern manufacturing facility in YEIDA** with integrated R&D, quality, application, and training centers to boost production capacity and industry presence. The project, expected to **commence by Q4 FY2026**, involves a capex of **Rs. 137.92 crore** funded through issue proceeds, internal accruals, and bank borrowings.
- The company aims to **strengthen its innovation platform** by fostering close collaboration between R&D and Sales teams to develop trend-aligned, customer-centric products. Continuous innovation is key to enhancing its product portfolio and staying competitive in the FMCG space. The company is also **expanding its R&D** capabilities with a dedicated team focused on the Middle East, particularly the GCC region.

Risk Factors -

- The company's reliance on the fragrance segment—contributing **91.23%** in FY23, **92.05%** in FY24, and **94.96%** in FY25—poses a concentration risk, making it vulnerable to supply chain disruptions or demand fluctuations within this segment.
- The company's has entered into **related party transactions** amounting to **Rs. 712.37 Lakhs**, **Rs. 1,092.30 Lakhs** and **Rs. 704.56 Lakhs** in FY23, FY24 and FY25 respectively.
- The company has **5 tax proceedings**, contributing to **Rs. 49.80 Lakhs**.
- The company's KMPs and SMPs have **2 tax proceedings**, contributing to **Rs. 10.83 Lakhs**.
- The **lack of substantial professional experience** of the **Chief Financial Officer and the Company Secretary & Compliance Officer** raises concerns about the company's ability to ensure robust financial oversight and effective compliance management.

INDUSTRY OVERVIEW -

Fragrances and Flavours Industry in India

The global **Fragrances and Flavours** market, valued at **USD 32.2 billion** in 2023, is projected to reach **USD 43.6 billion by 2032**, growing at a **CAGR of 3.3%**. Growth is driven by rising demand in the food, beverage, and personal care sectors, especially in emerging economies like India and China. The Asia-Pacific region led the market in 2023 with a 32% share, fueled by shifting consumer preferences, urbanization, and strong R&D in countries like India, China, and Indonesia.

India's fragrances market is projected to grow at a **14.5% CAGR from 2024 to 2032**, driven by rising disposable incomes, personal grooming trends, and social media influence. Growing preference for natural scents and millennial demand are key growth contributors.

Key Market Drivers -

1. Expanding Personal Care Industry

The growing emphasis on self-care and grooming is propelling demand for skincare, haircare, and cosmetic products. Fragrances enhance product appeal, mask base ingredient odors, and provide a luxurious, emotionally engaging experience for consumers.

2. Continuous Innovation in the Food and Beverage Industry

Health-conscious consumers are driving the creation of functional foods and beverages, increasing the need for unique and natural flavour solutions. Clean-label trends and dietary preferences are encouraging flavour innovations that balance taste with wellness.

3. Rising Awareness of Personal Grooming and Hygiene

Demand for scented soaps, shampoos, and deodorants is rising as consumers prioritize hygiene and self-expression. There is a growing preference for diverse, natural, and cruelty-free fragrance options aligned with personal values.

4. Rising Market Opportunities Amid Technological Advancements, Rising Incomes & Wellness Trends

Technological progress and R&D investment are enabling product innovation, while increasing disposable incomes—especially in emerging economies—are expanding market access. Simultaneously, wellness-focused marketing is boosting demand across multiple product segments.



Government Initiatives –

1. **Make in India:** Launched in 2014 to boost domestic manufacturing and make India a global production hub across 27 key sectors.
2. **Atma Nirbhar Bharat Abhiyan:** Announced in 2020 to promote self-reliance through a Rs. 20 trillion stimulus focusing on local manufacturing, quality standards, and reduced import dependence.
3. **Production-Linked Incentive (PLI) Scheme:** Introduced in 2020 to incentivize domestic production and exports in 14 key sectors through performance-linked subsidies.
4. **Ease of Doing Business:** India improved from rank 142 (2014) to 63 by 2020 through reforms like NSWS and trade facilitation, enhancing its appeal as a manufacturing and export base.

Key Management -

Key Management Persons Name -	Mr. Manoj Arora
Age	65
Designation and No. of experience	Promoter, Chairman and Managing Director, 40+ years of experience in the field of Fragrance and Flavours
Qualification	Higher Secondary and B.Sc dropout
Other Directorships	Sachee Holdings Private Limited, Velox Infraprojects Private Limited, Quick Infraprojects Private Limited, Sacheerome Advance Technologies Private Limited, Quartz Impex Private Limited and Vaishali F&F LLP

Key Management Persons Name -	Mr. Dhruv Arora
Age	36
Designation and No. of experience	Whole-time director and Promoter, 14 years of experience in fragrance and flavours industry
Qualification	Bachelor of Science Chemistry with Business and Management and Management Programme for Family Business
Other Directorships	Velox Infraprojects Private Limited, Quick Infraprojects Private Limited, Quartz Impex Private Limited, Sachee Holdings Private Limited etc.

Key Management Persons Name -	Mrs. Indu Agarwal
Age	51
Designation and No. of experience	Executive Director, 26+ years of experience in pharma industry and fragrance and flavours industry
Qualification	B.Sc.
Other Directorships	

Key Management Persons Name -	Aarti Kashyap
Age	35
Designation and No. of experience	Chief Financial Officer, 1.5 years of experience in the field of accounting and finance
Qualification	Chartered Accountant
Other Directorships	

- The overall management of the company is **satisfactory**.
- The **limited professional experience** of both the **Chief Financial Officer** and the **Company Secretary & Compliance Officer** raises concerns regarding the company's internal financial oversight and compliance management capabilities.
- There is evidence of **dual chairmanship** within the company, which raises concerns regarding governance best practices and effective oversight.
- **Ms. Harpreet Kaur** is the **Company Secretary and Compliance Officer**. She holds the degree of Company Secretary. She has 3years of experience in the field of secretarial and corporate compliance.
- **Mrs. Alka Arora** is the Non-Executive Director and Promoter of the company. She holds degree in Bachelor of Commerce. She has more than **26years of experience** in fragrance and flavours industry.
- Mr. Sunil Suri and Mr. Sanjay Roye are Independent Directors of the Company. They have significant experience and education in their respective fields.

FINANCIAL SNAPSHOT

Statement of Profit and Loss			Amt in Lakhs
Particulars	FY 23	FY 24	FY 25
Revenue from Operations	7,049.19	8,509.53	10,753.59
Other Income	43.62	130.25	59.82
Total Income	7,092.81	8,639.78	10,813.41
Expenses			
Cost of Material Consumed	4,179.76	5,034.76	6,373.27
Change in Inventories of finished goods and WIP	-27.17	122.76	7.67
Employee Benefit Expenses	930.88	978.88	1,062.71
Finance Cost	49.72	20.43	27.50
Depreciation and Amortization Expense	153.07	165.50	176.18
Other expenses	972.94	858.01	1,023.50
Total Expenses	6,259.20	7,180.34	8,670.83
EBITDA	992.78	1,515.12	2,286.44
EBITDA Margin	14.08%	17.80%	21.26%
Profit/(Loss) before tax	833.61	1,459.44	2,142.58
Tax Expense			
Current tax	242.90	389.23	554.48
Deferred Tax	-8.70	2.91	-10.10
Total Tax	234.20	392.14	544.38
Profit/(Loss) for the year	599.41	1,067.30	1,598.20
Net Profit Margin	8.50%	12.54%	14.86%

Statement of Assets and Liabilities			Amt in Lakhs
Particulars	FY 23	FY 24	FY 25
EQUITY AND LIABILITIES			
1. Shareholders' funds			
Equity Share Capital	408.30	1,633.20	1,633.20
Reserves and Surplus	3,124.79	2,967.19	4,565.39
Total Equity	3,533.09	4,600.39	6,198.59
2. NON-CURRENT LIABILITIES			
Long-term Provisions	178.56	215.15	248.98
Other non-current liabilities	16.64	16.64	16.64
Total Non-current liabilities	195.20	231.79	265.62
3. Current liabilities			
Short-term Borrowings	-	142.50	346.52
Trade Payables			
(a) Total outstanding dues of MSME	362.52	714.03	699.56
(b) Total outstanding dues of creditors other than MSME	457.46	297.95	687.22
Other Current Liabilities	313.04	313.07	257.71
Short-term Provisions	60.90	51.87	12.02
Total Current liabilities	1,193.92	1,519.42	2,003.03
Total Liabilities	1,389.12	1,751.21	2,268.65
Total Equity and Liabilities	4,922.21	6,351.60	8,467.24
ASSETS			
1. Non-current assets			
Property, Plant and Equipment	1,948.34	2,062.84	2,097.55
Capital Work in Progress	149.57	814.78	2,847.71
Non Current Investments	172.50	164.10	156.12
Deferred tax assets (net)	133.44	130.53	140.63
Long-Term Loans and Advances	21.04	48.72	241.35
Other Non-current Assets	69.34	69.23	71.23
Total Non-Current assets	2,494.23	3,290.20	5,554.59
2. Current assets			
Inventories	1,113.98	1,181.75	1,088.32
Trade Receivables	1,207.93	1,574.29	1,540.74

Particulars	FY 23	FY 24	FY 25
Cash & Bank Balances	10.91	187.53	191.60
Short Term Loans and Advances	95.16	111.18	74.59
Other Current Assets	-	6.65	17.40
Total Current assets	2,427.98	3,061.40	2,912.65
Total Assets	4,922.21	6,351.60	8,467.24

Cash Flow Statement			Amt in Lakhs
Particulars	FY 23	FY 24	FY 25
Net Cash Flow from Operating Activities	1,075.82	977.16	2,248.17
Net Cash Flow from Investing Activities	-204.57	-1,037.75	-2,314.69
Net Cash Flow from Financing Activities	-870.84	131.30	176.52

Key Ratios

Per Share Data	FY 23	FY 24	FY 25	Valuation Ratios (x)	FY 23	FY 24	FY 25
Diluted EPS	3.67	6.54	9.79	EV/EBITDA	3.55	3.01	2.78
BV per share	86.53	28.17	37.95	Market Cap / Sales	0.01	0.02	0.02
Operating Ratios				P/E	27.79	15.60	10.42
EBITDA Margins	14.08%	17.80%	21.26%	Price to Book Value	1.18	3.62	2.69
PAT Margins	8.50%	12.54%	14.86%	Solvency Ratios			
Inventory days	57.84	50.83	37.04	Debt / Equity	-	0.03	0.06
Debtor days	62.72	67.71	52.44	Current Ratio	2.03	2.01	1.45
Creditors days	73.69	71.32	80.35	Quick Ratio	1.10	1.24	0.91
Return Ratios				Asset Turnover	1.43	1.34	1.27
RoCE	22.52%	27.93%	32.65%	Interest Coverage Ratio	16.89	66.06	76.74
RoE	16.97%	23.20%	25.78%				

FINANCIAL ANALYSIS –

- **Revenue from Operations -**
 - The company's **top line increase by 20.72%** in FY24 was driven by strategic business operations expansion, including a **3% increase in sales volume to existing customers and 16% of total sales contributed by new customer acquisitions.**
 - The company's topline grew by **26.37% in FY25**, primarily driven by a **21% increase in domestic sales**, while **export sales** contributed an additional **5%** to the overall revenue growth.
- **EBITDA and PAT Margins** – The company's EBITDA and PAT margins have shown a **consistent improvement**, remaining aligned with each other, with EBITDA margins improving from 14.08% in FY23 to 21.26% in FY25, and PAT margins rising from 8.50% to 14.86% over the same period.
- **Finance Cost** – The company's finance cost was **decreased by 58.91% in FY24** which was primarily due to **reduction in interest expenses** as a result of lower cash credit limit utilization.
- **RoCE and ROE** – The company's **RoCE has improved** from **22.52%** in FY23 to **32.65%** in FY25 and **ROE has improved** from **16.97%** to **25.78%** in the same period.
- **Interest Coverage Ratio** – The company's interest coverage ratio **improved** significantly from 16.89 in FY23 to 76.74 in FY25, primarily driven by a substantial increase in operating profit.
- **Operating cashflow** – The company has consistently maintained **positive operating cash flows** of ₹1,075.82 lakhs, ₹977.17 lakhs, and ₹2,248.17 lakhs in FY23, FY24, and FY25 respectively, indicating effective cash flow management.
- **Inventory days** – The company's **inventory days reduced** from **58** days in FY23 to **37** days in FY25, reflecting improved efficiency in inventory management.

LEAD MANAGER TRACK RECORD -

The lead manager to the issue is **GYR Capital Advisors Limited**. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

Sl. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Dar Credit and Capital Limited	25.66	60	May 28, 2025	58.95
2.	Srigee DLM Limited	16.98	99	May 12, 2025	236.35
3.	Voler Car Limited	27.00	90	Feb 19, 2025	92.90
4.	Chamunda Electrical Limited	14.60	50	Feb 11, 2025	43.20
5.	Capital Numbers Infotech Limited	169.37	263	Jan 27, 2025	138.15
6.	Delta Autocorp Limited	54.60	130	Jan 14, 2025	74.95
7.	NACDAC Infrastructure Limited	10.01	35	Dec 24, 2024	41.27
8.	Emerald Tyre Manufacturers Limited	49.26	95	Dec 12, 2024	127.45
9.	Rajputana Biodiesel Limited	24.70	130	Dec 03, 2024	236.50
10.	Freshara Agro Exports Limited	75.39	116	Oct 24, 2024	169.85

The company has handled **30** mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 03rd Jun 2025.

As per the offer document, on their respective listing days, Voler Car Limited has opened at **par** and all other above mandates have opened at a **premium** to their issue prices.

PEER ANALYSIS

Particulars	Sacheerome Limited			S H Kelkar Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	8.50%	12.54%	14.86%	3.57%	6.26%	3.41%
EBITDA Margin	14.08%	17.80%	21.26%	12.18%	16.00%	12.01%
RoCE	22.52%	27.93%	32.65%	8.59%	15.45%	10.50%
ROE	16.97%	23.20%	25.78%	5.75%	10.09%	5.76%
EPS (INR)	3.67	6.54	9.79	4.42	8.84	5.31
P/E	27.79	15.60	10.42	22.51	23.25	32.79

- The company's margins are **strong** compared to those of its peers, indicating stronger operational efficiency.
- The company has consistently maintained **higher RoCE and ROE** compared to peers, reflecting efficient capital utilization and shareholder value creation.
- The company's relatively low P/E ratio compared to peers suggests it is **fairly valued** in the current market.

Recommendation -
Investment Recommendation - APPLY

- Sacheerome Limited has **significant history** since it was originally incorporated on Jun 19, 1992.
- The P/E on a post-IPO annualized basis is **14.28** times which makes it **fairly priced**.
- The overall management of the company is **satisfactory**, with scope for strengthening internal financial oversight and compliance functions as the Chief Financial Officer and the Company Secretary & Compliance Officer continue to gain experience and enhance their professional capabilities.
- The company demonstrates strong operational efficiency with **strong margins**, consistently **higher** RoCE and RoE compared to peers, and a relatively **low P/E ratio**, indicating efficient capital utilization, strong shareholder returns, and a fair valuation in the current market.
- The company's **topline grew** by 20.72% in FY24 and 26.37% in FY25, supported by expansion in domestic and new customer sales. **EBITDA and PAT margins improved** consistently from 14.08% and 8.50% in FY23 to 21.26% and 14.86% in FY25, respectively, reflecting enhanced operational efficiency.
- The company maintained consistent **positive operating cash flows** across FY23 to FY25, indicating financial discipline, while inventory days reduced from 58 to 37, highlighting improved working capital efficiency.
- The company's objective of **setting up a new manufacturing facility** is expected to enhance sales and improve margins, signifying **long-term scalability**.

Disclaimer

We are not registered research analysts with SEBI and are not subject to the regulations governing research analysts. This research report is for educational purposes only and should not be construed as investment advice. The information contained in this report is based on publicly available information and is believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy or completeness. Also, some of the employees of our organization may have or may in the future hold investments in the company that is the subject of this research report. This may create a conflict of interest, and you should be aware of this when considering the information contained in this report. You should consult with your financial advisor before making any investment decisions.

The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

WEBSITE:

www.tiareconsilium.com

OUR APP AVAILABLE ON:

CONNECT WITH US ON :
