



SACHEEROME LIMITED

India's B2B Fragrance & Flavour Compounder — Quality Growth at a Full Price

NSE SME: SACHEEROME | Incorporated: 1992 | Sector: Specialty Chemicals — Fragrances & Flavours

SEGMENT
**FRAGRANCE
& FLAVOUR**
B2B FMCG solutions

LISTED
JUN 2025
NSE Emerge (SME)

RATING
BUY
Core · Base TGT ₹410

FY26 REVENUE
₹152 Cr
+41% YoY

FY26 PAT
₹28 Cr
+73% YoY

RETURN ON EQUITY
~27%
ROCE ~36% · debt-free

P/E (FY26)
~26x
promoter holding 71.5%

KEY METRICS SNAPSHOT

CMP (Jun-26)	₹335	52W High / Low	₹431 / ₹140
Base-Case Target (12M)	₹410	Implied Upside	+22%
Market Cap (Jun-26)	~₹749 Cr	Bull / Bear Range	₹520 / ₹250
FY26 Revenue	₹152 Cr	FY26 PAT	₹28 Cr
FY26 EBITDA Margin	~24%	FY26 PAT Margin	~19%
ROCE (FY26)	~36%	ROE (FY26, reported)	~27%*
Promoter Holding (Mar-26)	71.5%	P/E (FY26)	~26x
FY26 Revenue Growth	+41%	Balance Sheet	Debt-free

*Reported ROE ~27% is on average equity; the year-end figure is nearer ~18-19%, temporarily depressed by idle IPO cash and a large capital-work-in-progress (CWIP) balance that is not yet productive — it should recover once the new YEIDA facility commissions. A sizeable ~₹184 Cr capex lies ahead versus a ₹62 Cr IPO. Trailing P/E ~26x on FY26 EPS ~₹12.7; forward ~21x on FY27E EPS ~₹16. The business is **debt-free** with strong operating cash conversion.

01

STRUCTURAL F&F GROWTH

India's fragrance market is projected to grow at ~14.5% CAGR (2024-32) — well above the global F&F market — driven by premiumisation, naturals/clean-label demand and packaged-food growth. B2B F&F is a picks-and-shovels play on rising FMCG consumption.

02

QUALITY, DEBT-FREE COMPOUNDER

~24% EBITDA margin, ~27% ROE, ~36% ROCE, operating cash conversion (CFO/EBITDA) consistently above 100%, and a **debt-free** balance sheet — a genuinely clean SME profile, with the cash-conversion cycle cut from 109 to 34 days.

03

CAPACITY-LED NEXT LEG

A new manufacturing facility at YEIDA (Yamuna Expressway, UP), ~₹184 Cr capex, is expected live around **Aug 2026** and roughly re-bases capacity. The swing factor for the thesis is the **execution and funding** of that expansion.

INVESTMENT THESIS & EXECUTIVE SUMMARY

Sacheerome is a Delhi-based, family-founded **fragrance & flavour (F&F) house** that creates and manufactures bespoke scent and taste compounds for B2B FMCG clients across food and non-food categories. Listed on NSE Emerge in **June 2025**, it has compounded revenue from **₹64 Cr (FY22) to ₹152 Cr (FY26)** while expanding margins and staying **debt-free** — a rare, high-quality SME. The debate is not quality; it is **price**: at ~26x trailing earnings the stock leaves little room for a stumble.

Business in one paragraph

Sacheerome runs a **customer-brief-led R&D model**: in-house perfumers and flavourists develop tailored fragrance and flavour compounds, validate them through application testing and regulatory compliance (IFRA / FSSAI / ISO), and manufacture at its Okhla (New Delhi) facility. Fragrances (since inception) span personal, home and fine-fragrance uses; flavours (since 2014) span beverages, bakery, dairy and confectionery. Proprietary delivery technologies (Sach-Maxicaps, Sach-Odocon) and GC-MS analytics support differentiation. It is expanding capacity via a large new YEIDA plant.

Three pillars of the thesis

1

A LONG, STRUCTURAL F&F RUNWAY

India's fragrance market is expected to grow **~14.5% CAGR** (2024-32), far above the ~3.3% global F&F rate, powered by premiumisation, a shift to **naturals/clean-label** (72% of Indian consumers prefer natural ingredients) and packaged-food growth. As a B2B creator, Sacheerome sells into that entire wave.

2

GENUINELY HIGH-QUALITY ECONOMICS

~24% EBITDA margins, ~27% ROE, ~36% ROCE, **CFO/EBITDA >100%** across most years, and a **debt-free** balance sheet with a tightening working-capital cycle. This is the cleanest financial profile of the SME F&F names — the antithesis of the leverage-and-inventory problems common in small manufacturers.

3

CAPACITY-LED NEXT LEG — BUT PRICED FOR IT

The new YEIDA facility (~₹184 Cr, live ~Aug 2026) roughly re-bases capacity and can extend the growth runway. The **caveat**: the stock already trades at ~26x, so the market is paying for successful execution — and ₹184 Cr is large against a ₹62 Cr IPO, implying reliance on internal accruals and possibly fresh funding.

Key items to track

- **YEIDA commissioning & funding** — on-time, on-budget start-up (~Aug 2026) and how the ~₹184 Cr is financed without stressing the debt-free balance sheet.
- **Growth durability** — whether the sharp pre-IPO profit ramp sustains; FY26's +73% PAT is reassuring, but reviewers flagged the trajectory.
- **Margin & mix** — whether ~24% EBITDA margins hold as scale, naturals mix and aroma-chemical input costs evolve.
- **Return normalisation** — ROE recovering as idle IPO cash and CWIP become productive post-YEIDA.

SUMMARY OBSERVATION

Sacheerome is a **high-quality, debt-free, cash-generative F&F compounder** with a structural tailwind and strong promoter alignment (71.5%). Unlike a typical SME, the risk here is **not** the balance sheet — it is **valuation**. Our BUY reflects the quality and runway, but at ~26x the entry demands that YEIDA delivers and growth stays strong. This is a **core holding to accumulate on weakness**, not a bargain.

COMPANY OVERVIEW & BUSINESS MODEL

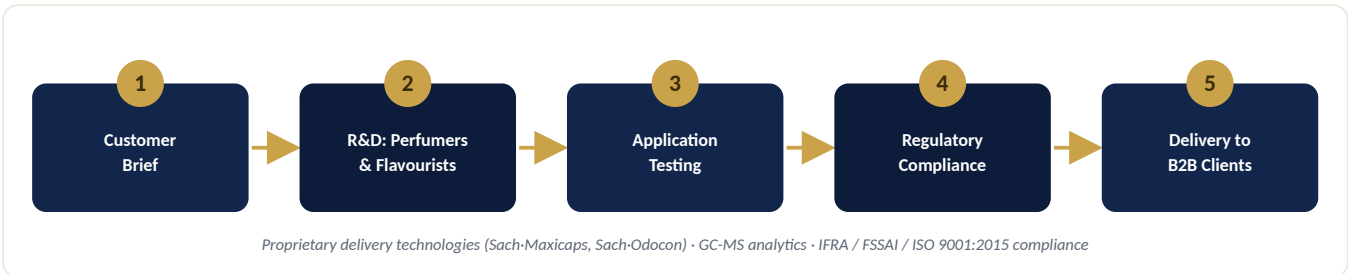
Snapshot

Founded in **1992** (originally Sachee Fragrances) and led by Chairman & MD **Manoj Arora**, a third-generation entrepreneur with 40+ years in the industry, Sacheerome is a B2B **fragrance & flavour** creator and manufacturer. It operates an Okhla (New Delhi) facility with ~7,60,000 kg/year capacity, an in-house R&D and application lab with 45+ specialists, and serves leading Indian and international FMCG clients across food and non-food segments.

Applications across fragrances & flavours



A customer-brief-led value chain



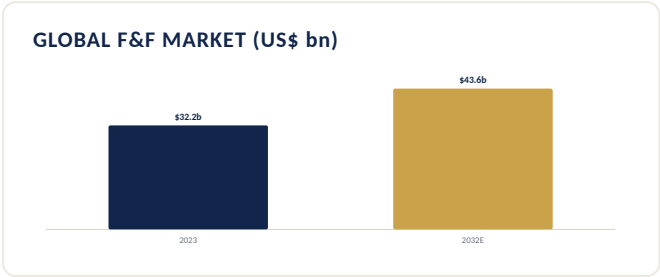
Operating snapshot

Manufacturing	Okhla Industrial Area, New Delhi — ~7,60,000 kg/year capacity
New facility	YEIDA (Yamuna Expressway, Gautam Buddha Nagar, UP) — ~₹184 Cr capex, expected live ~Aug 2026
R&D	In-house perfumers, flavourists & technologists (45+ specialists); GC-MS / HS-GCMS analytics
Delivery technology	Proprietary Sach-Maxicaps and Sach-Odocon systems
Compliance	IFRA, FSSAI, EC/EU, FEMA, ISO 9001:2015; member of Chemexcil and FAFAI
People	~158 employees; promoter-led (Arora family)

F&F sits **upstream of FMCG brands**: the compound is a small share of a product's cost but central to consumer preference, which makes approved formulations sticky and gives specialist creators durable, high-margin relationships.

INDUSTRY & MARKET LANDSCAPE

Fragrances & flavours are the **invisible ingredient** of consumer goods — a small cost line that heavily shapes buying decisions. The global market grows steadily, but **India is a structural outlier**, with the domestic fragrance market projected to compound at ~14.5% a year through 2032, several times the global rate.



Global F&F: ~\$32.2b (2023) → ~\$43.6b (2032E), ~3.3% CAGR.

India — the fast lane

INDIA FRAGRANCE	NATURALS
~14.5% CAGR	72% prefer

Rising incomes, grooming and personal-care premiumisation, packaged-food and beverage growth, and a strong consumer tilt toward **natural, clean-label and cruelty-free** products all favour domestic F&F creators — especially those able to formulate naturals.

Industry structure

LAYER	WHO	SACHEEROME'S PLACE
Global majors	Givaudan, dsm-firmenich, IFF, Symrise	Dominate globally; set the technology frontier
Largest Indian-origin	S H Kelkar (Keva)	The scaled domestic leader — and Sacheerome's DRHP-named peer
Niche fast-growers	Sacheerome and smaller specialists	Agile, high-margin, customer-brief-led; gaining share in a fragmented market

A note on comparability: the market is fragmented and global majors are unlisted-in-India or far larger. Sacheerome's DRHP names **only S H Kelkar** as a listed peer (see Valuation), so absolute fundamentals matter as much as relative multiples.

MANAGEMENT & OPERATING COMMENTARY

Promoters & leadership

Sacheerome is a **founder-led, family-run** business. Chairman & Managing Director **Manoj Arora** is a third-generation F&F entrepreneur with 40+ years of experience; **Alka Arora** and **Dhruv Arora** complete the promoter group, giving continuity into the next generation. Detailed roles and biographies are in the RHP; we avoid attributing specific titles beyond those publicly filed.

Promoter group	Manoj Arora (CMD), Alka Arora, Dhruv Arora
Promoter holding (Mar-26)	71.54% — high alignment / skin-in-the-game
Institutional interest	DIIs 6.27% (down from 12.8% at listing — anchor exit); FIIIs negligible
Investor relations	Regular concalls and investor presentations (H2 FY26 results, Jun 2026)

Guidance vs delivery — scorecard

COMMITMENT	STATUS	EVIDENCE
Grow revenue strongly	DELIVERED	FY26 revenue +41% to ₹152 Cr; 3-yr sales CAGR ~29%, TTM ~42%.
Expand profitability	DELIVERED	EBITDA margin 13% (FY22) → 24% (FY26); PAT +73% in FY26 to ₹28 Cr.
Stay debt-free / cash-generative	DELIVERED	Debt-free at FY26; CFO/EBITDA >100%; CCC cut 109 → 34 days.
Build YEIDA capacity	TRACKING	CWIP built to ₹57 Cr (FY26); facility expected live ~Aug 2026; ~₹184 Cr total capex.
Sustain pre-IPO profit surge	WATCH	Reviewers flagged the sharp FY24-25 profit jump; FY26 delivery is reassuring but needs to continue.

READING THE COMMENTARY

On growth, margins and balance-sheet discipline, management has **delivered well**. The two things to keep honest are **YEIDA execution/funding** (a large capex relative to the IPO) and the **durability of the profit ramp** that preceded listing. So far, FY26 supports the bulls — but the market is already paying for continuation.

FINANCIAL ANALYSIS — STATEMENTS

Profit & loss (₹ Cr)

METRIC	FY22	FY23	FY24	FY25	FY26	FY27E
Revenue	64	70	85	108	152	200
Growth %	–	9%	21%	27%	41%	32%
EBITDA (operating)	9	10	15	23	37	49
EBITDA margin %	13%	14%	18%	21%	24%	24%
Other income	0	0	1	1	4	3
Interest	1	1	0	0	0	1
Depreciation	2	2	2	2	2	4
PBT	6	8	15	21	38	47
Tax %	27%	28%	27%	25%	25%	25%
PAT	5	6	11	16	28	36
EPS (₹)	n.m.	n.m.	n.m.	9.8	12.7	~16

FY27E is the author's own estimate, not company guidance. Depreciation steps up in FY27E as the YEIDA facility begins commissioning. Pre-FY25 EPS is not directly comparable ("n.m.") due to changes in share count around the IPO. FY26: revenue ₹152.39 Cr, PAT ₹28.44 Cr (per the FY26 earnings call).

Half-yearly (₹ Cr)

PERIOD	REV	OPM	PAT
H1 FY25	50	19%	7
H2 FY25	57	22%	9
H1 FY26	77	25%	15
H2 FY26	76	23%	14

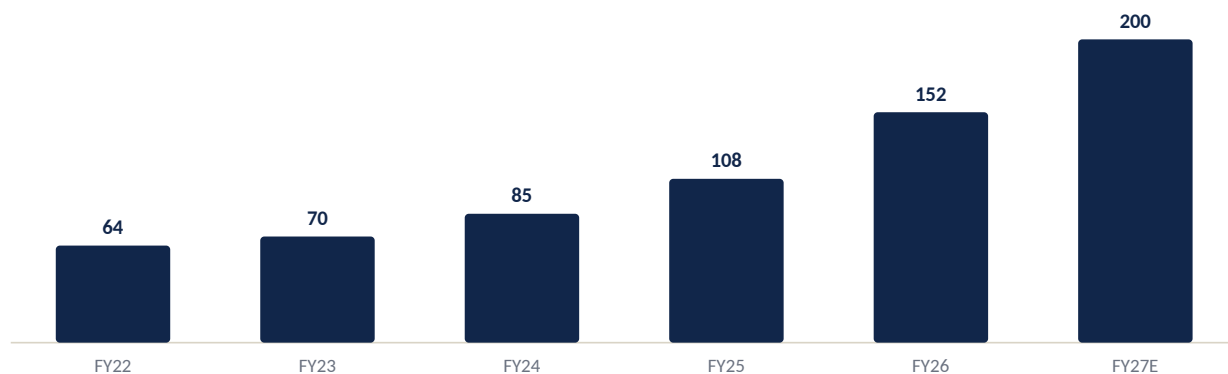
Balance sheet (₹ Cr)

ITEM	FY24	FY25	FY26
Net worth	46	62	148
Borrowings	1	3	0
CWIP (YEIDA)	8	28	57
Fixed assets	22	23	23
Total assets	64	85	172

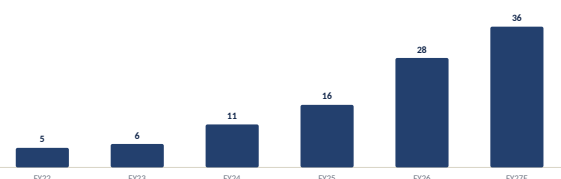
Debt-free; IPO cash + rising CWIP inflate the FY26 balance sheet.

FINANCIAL ANALYSIS — EARNINGS TRAJECTORY

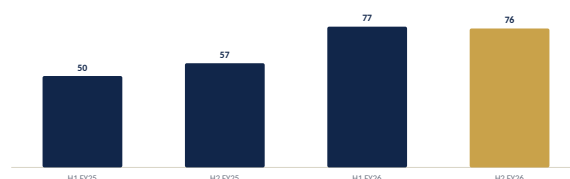
REVENUE (₹ Cr) — FY22 TO FY27E



NET PROFIT (₹ Cr)



HALF-YEARLY REVENUE (₹ Cr)



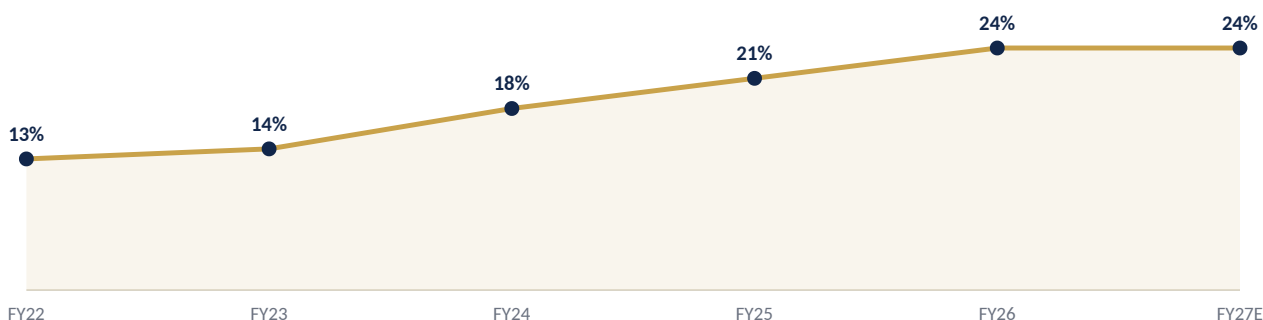
Revenue has compounded ~29% over three years (~42% TTM) and profit ~68% over three years (~78% TTM), with margins widening as scale and mix improved. FY27E (gold) is the author's estimate; the half-yearly view shows the step-up around H1 FY26. Bars are rounded and directional.

WHAT THE TRAJECTORY SHOWS

A steady, **compounding** revenue base with **faster-growing profits** — the hallmark of operating leverage in a specialist creator. Unlike many SMEs, the growth has been accompanied by **margin expansion and cash generation** rather than balance-sheet strain. The forward question is simply whether the pace holds as the base rises and YEIDA comes on line.

MARGINS, RETURNS & WORKING CAPITAL

EBITDA MARGIN (%) — FY22 TO FY27E



DuPont decomposition

DRIVER	FY24	FY25	FY26	FY27E
Net margin	13%	15%	18%	18%
Asset turnover (x)	1.33	1.27	0.88	0.95
Equity multiplier (x)	1.39	1.37	1.16	1.15
ROE (year-end)	~24%	~26%	~18%	~20%

Working capital & conversion

METRIC	FY24	FY25	FY26
Debtor days	68	52	47
Inventory days	85	63	47
Cash conv. cycle	80	35	34
ROCE	36%	39%	36%

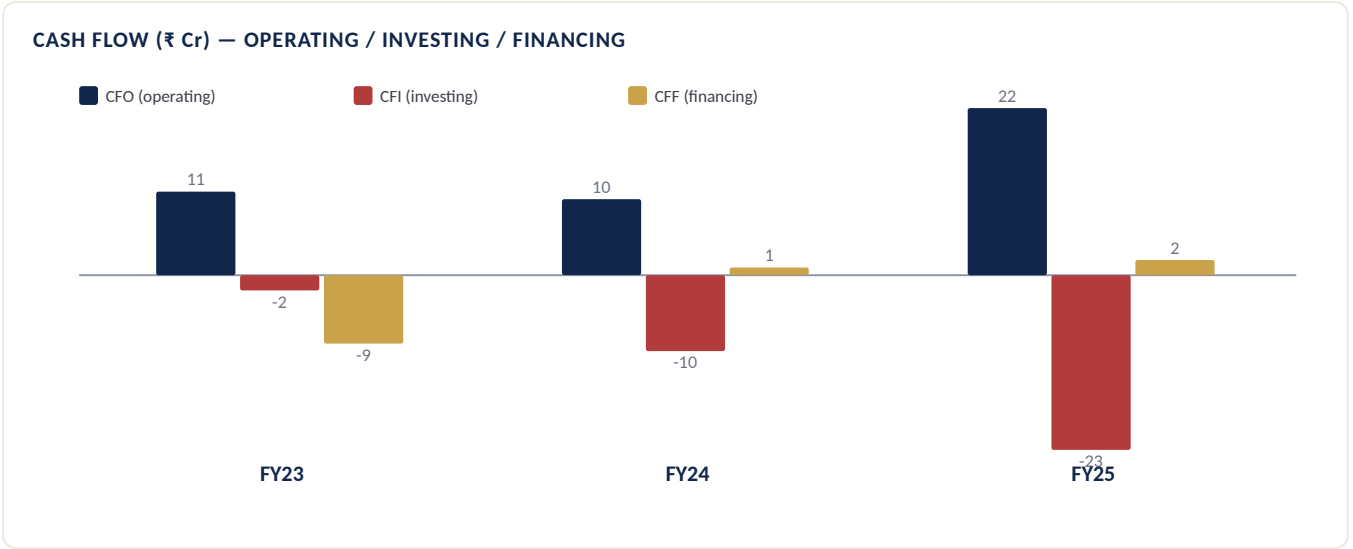
Read the returns correctly. Reported ROE (~27% on average equity) is **higher** than the year-end figure (~18%) because the June-2025 IPO added equity mid-year. The FY26 dip in year-end ROE and asset turnover is a **cash-drag effect**: idle IPO proceeds and non-productive CWIP sit on the balance sheet. As the YEIDA facility commissions and that capital turns productive, asset turnover and ROE should **recover toward the low-20s%** — a normalisation, not a deterioration. Working capital, meanwhile, has genuinely improved (CCC 80 → 34 days).

RETURNS READ

This is a **structurally high-return, low-capital-intensity** creator whose current-year ratios are temporarily muted by IPO cash and build-out. That is a **good** kind of distortion — the opposite of a business flattered by leverage. The quality is real.

CASH FLOW & EARNINGS QUALITY

Cash generation is a **strength** for Sacheerome, not a worry. Operating cash flow has consistently matched or exceeded operating profit (CFO/EBITDA above 100% in most years), the business is **debt-free**, and free cash flow was positive until the recent capex ramp. The current investing outflow reflects the **YEIDA build-out** — a growth investment, not a cash-quality problem.



METRIC	FY22	FY23	FY24	FY25
CFO (₹ Cr)	9	11	10	22
Free cash flow (₹ Cr)	6	9	0	-2
CFO / EBITDA	141%	128%	91%	124%

FY25 free cash flow dipped slightly negative as YEIDA capex accelerated (CWIP ₹8 → ₹28 Cr, then ₹57 Cr in FY26). This is investment for the next leg of growth, funded by strong operating cash and IPO proceeds — the balance sheet remains debt-free. FY26 cash-flow detail was not yet split on public databases at the time of writing.

EARNINGS-QUALITY SIGNAL

Where many SMEs report profits they cannot convert to cash, Sacheerome does the opposite: **profits turn into cash**, and the only reason FCF dipped is a **deliberate, self-funded capacity investment**. That is exactly the profile a long-term investor wants — and a key reason the market awards it a premium multiple.

VALUATION & TARGET PRICE

We value Sacheerome on a **forward P/E** basis on FY27E EPS of ~₹16. At ₹335 it trades at ~26x trailing FY26 EPS and ~21x FY27E — a **full multiple** that reflects genuine quality (debt-free, ~27% ROE, strong cash conversion) and a long runway, but leaves little margin for error. We anchor a base multiple of **~26x FY27E**, for a base target of **₹410** (~+22%).

C M P	B A S E T A R G E T	R A T I N G
₹335	₹410	BUY
market price	~26x FY27E · +22%	core · full price

Method & multiple bridge

STEP	VALUE	BASIS
FY27E EPS	₹16	PAT ~₹36 Cr on ~2.24 Cr shares
Base-case target P/E	~26x	In line with the trailing multiple; justified by high ROE/ROCE, debt-free balance sheet and structural growth — but not expanded, given SME liquidity and capex risk
Base target price	₹410	~26x × ₹16 — implies ~+22% upside

Peer comparison — DRHP-named listed peer only

COMPANY	MCAP (₹Cr)	REVENUE (₹Cr)	EBITDA%	ROE	P/E	P/B
Sacheerome	~749	152	~24%	~27%*	~26x	~5.1x
S H Kelkar (Keva)**	~1,850	2,368	~10%	~7%	~27x	~1.2x

*Sacheerome ROE on reported (average-equity) basis; normalises to ~18-20% year-end (see DuPont). **Per Sacheerome's DRHP, **S H Kelkar is the only listed peer disclosed** — so, as requested, the comparison uses S H Kelkar alone. Read it two ways: (i) on **quality**, Sacheerome is clearly superior — ~24% vs ~10% margins, ~27% vs ~7% ROE, debt-free vs ~₹789 Cr net debt — which **earns** its higher P/B; (ii) as a **caution**, even the scaled leader S H Kelkar has de-rated sharply (stock down ~42% over a year, low ROE, net debt from its own capex), a reminder that scale and capex do not guarantee returns. Both trade near ~26-27x earnings, so we also lean on **absolute** valuation.

SCENARIO ANALYSIS

Because the multiple is full, the outcome hinges on **execution and re-rating**: how well YEIDA commissions and ramps, whether growth and margins hold, and how the market treats a high-quality but illiquid SME. We frame value as a probability-weighted range.



SCENARIO	TARGET	VS CMP	PROB.	KEY ASSUMPTIONS
Bull	₹520	+55%	25%	YEIDA commissions on time and ramps well; growth stays ~30%+ with ~24-25% margins; premium re-rating to ~32x on rising EPS.
Base	₹410	+22%	45%	~32% FY27E revenue growth; margins broadly hold; ROE normalises up post-YEIDA; ~26x FY27E EPS ~₹16.
Bear	₹250	-25%	30%	Capex delay/overrun or funding overhang; growth normalises; sector/SME de-rating (as seen at S H Kelkar) compresses the multiple to ~16x on EPS ~₹15.

PROBABILITY-WEIGHTED VIEW

The blended expected value sits modestly **above** the current price, but the distribution is **two-sided** because the quality is already in the price. This is why we call Sacheerome a **core BUY to accumulate on weakness** rather than a deep-value idea: the business is excellent, the valuation is fair-to-full, and the ~30% bear case is anchored in valuation and capex risk rather than any balance-sheet flaw.

COMPETITIVE POSITIONING & MOAT

Sacheerome's edge is **creative R&D and customer stickiness** in a business where the ingredient is small in cost but decisive in consumer preference. Its flank is **scale** versus global majors and the domestic leader. We score five moat dimensions on a 1-5 scale.

DIMENSION	SCORE	ASSESSMENT
R&D / creative capability		In-house perfumers and flavourists, 45+ specialists, GC-MS analytics and proprietary delivery tech (Sach-Maxicaps) — the core of a formulation house's moat.
Customer stickiness		Approved F&F formulations are embedded in clients' products; reformulation and re-approval are costly and slow, making B2B relationships durable.
Regulatory / compliance		IFRA / FSSAI / EC / ISO compliance is a real barrier to entry, though one many organised players clear.
Brand / scale		Small versus Givaudan/dsm-firmenich/IFF/Symrise and S H Kelkar; limited pricing power against MNC creators.
Cost / manufacturing		Efficient and improving, with exposure to aroma-chemical and naturals input costs; new YEIDA capacity should help scale economics.

What widens the moat

- **Naturals capability** — riding the clean-label shift.
- **Delivery technology** — differentiated encapsulation IP.
- **Sticky approvals** — embedded in client SKUs.

What narrows it

- **Sub-scale** vs global & domestic leaders.
- **Input dependence** — aroma-chemical sourcing.
- **Customer concentration** in a B2B book.

MOAT VERDICT

A genuine **R&D-and-relationships moat** — the kind that compounds quietly in specialty ingredients — constrained mainly by **scale**. The YEIDA expansion is partly an attempt to convert quality into size; if it succeeds, the moat widens with it.

RISK FACTORS

For Sacheerome the lead risk is **valuation**, not the balance sheet. A ~26x, ~5x-book stock is priced for continued high growth and successful expansion; the main risks are the things that could break that expectation.

#	RISK	LIKE-LIHOOD	IMPACT	DESCRIPTION & MITIGANT
1	Rich valuation	MED	HIGH	At ~26x P/E and ~5x book, the stock is priced for growth; any miss can de-rate sharply. Mitigant: quality, debt-free balance sheet and structural runway support the premium.
2	Capex execution & funding	MED	MED	~₹184 Cr YEIDA facility vs a ₹62 Cr IPO implies reliance on internal accruals/fresh funding; delays or overruns hurt. Mitigant: strong cash generation; debt-free starting point.
3	Profit-growth sustainability	MED	MED	Sharp pre-IPO profit ramp drew scrutiny; must be sustained. Mitigant: FY26 delivered +73% PAT, easing (not eliminating) the concern.
4	Customer / segment concentration	MED	MED	B2B revenue can be concentrated among top clients (RHP flags top-5/top-10 shares). Mitigant: diversified across fragrance & flavour end-markets.
5	Input cost & supply	MED	MED	Aroma-chemical and naturals prices/imports affect margins. Mitigant: formulation flexibility and premium positioning.
6	SME liquidity & sector de-rating	MED	MED	Thin float (~1,158 holders); the sector can de-rate — even leader S H Kelkar fell ~42% in a year. Mitigant: high promoter alignment; core-quality profile.

Severity map

Risk 1 (valuation) is the binding constraint; risks 2-3 (capex, growth durability) are the variables that could trigger a de-rating. Risks 4-6 are ordinary operating/market risks. Notably, **none** of the classic SME red flags — leverage, poor cash conversion, weak governance — feature here.

RISK POSTURE

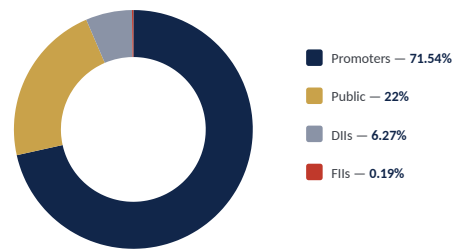
This is a **high-quality business at a full price**. The investment question is not “is the business good” (it is) but “**is the price paying for perfection.**” Accumulate on weakness, size for SME volatility, and watch YEIDA execution closely.

SHAREHOLDING & GOVERNANCE

Shareholding (Mar-26)

Promoters	71.54%
Public	22.00%
DII	6.27%
FII	0.19%
Shareholders	1,158

SHAREHOLDING — MAR 2026



Promoter holding is a stable, well-aligned 71.5%. Note that DII holding fell from ~12.8% at listing to ~6.3% (anchor-investor exit after lock-in) and FII holding is negligible — combined with ~1,158 shareholders, the **free float is thin**, which amplifies price volatility.

Governance flags

- ✓ **Debt-free** with strong operating cash conversion (CFO/EBITDA >100% in most years).
- ✓ **High promoter alignment (71.5%)**, unmodified audit opinion, improving working-capital cycle (CCC 109 → 34 days).
- ✓ **High returns** — ~27% ROE, ~36% ROCE — on a clean balance sheet.
- ! **Rich valuation** (~26x P/E, ~5x book) and **no dividend** despite consistent cash generation.
- ! **Anchor/DII exit** (12.8% → 6.3%) and negligible FII holding; thin free float and short (<2 year) listing record.
- ! **Large capex ahead** (~₹184 Cr YEIDA) versus a ₹62 Cr IPO; pre-IPO profit surge warrants continued monitoring.

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3. Rating & target are illustrative. The "BUY" rating, the ₹410 base target and the Bull/Base/Bear scenarios (₹520 / ₹410 / ₹250) are **hypothetical analytical illustrations**, not price predictions or assurances. The FY27E model is the author's own estimate and is inherently uncertain.

4. Sources & accuracy. Information is drawn from the company's audited FY26 results, the DRHP/RHP and exchange filings, investor presentations and third-party databases (e.g. Screener, exchange archives). Figures are rounded; EBITDA is shown on an operating basis; minor reconciliation gaps between sources are flagged in the text. Accuracy and completeness are not guaranteed.

5. Forward-looking statements. Statements on growth, capacity (YEIDA), margins, returns and cash flow are forward-looking and subject to risks — execution, funding, input costs, competition, regulation and macro conditions. Actual results may differ materially.

6. SME-platform risk. Sacheerome trades on the NSE Emerge (SME) platform, where instruments can be illiquid, volatile and subject to wide bid-ask spreads and circuit limits. Such securities carry elevated risk and may not suit all investors.

7. Peer comparison. Per the company's DRHP, S H Kelkar is the only disclosed listed peer, and the peer table uses S H Kelkar alone accordingly. It is materially larger and differently positioned; the comparison is indicative, not apples-to-apples.

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BEFORE YOU ACT

Treat this as a **study of one company's investment case**, not a recommendation. If you are considering Sacheerome, read the RHP and audited results yourself, pay special attention to **valuation and the YEIDA capex**, size any position for **SME-level volatility and thin liquidity**, and consult a **SEBI-registered adviser**. Never invest money you cannot afford to lose.

ABOUT THE AUTHOR & CONTACT

Indraprastha Capital is an independent equity-research initiative focused on fundamental, bottom-up analysis of Indian SME and small-cap companies — with particular attention to businesses that can **compound quality over a multi-year horizon**. Notes are published for educational purposes to share a structured analytical framework.

Research firm	Indraprastha Capital
General enquiries	indraprasthacapital@gmail.com
Lead analyst	Tarun Garg
Analyst contact	tarung023@gmail.com
Coverage	Sacheerome Ltd • NSE SME: SACHEEROME
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How to read this note

- Start with the **Investment Thesis** (p.2), then the **Financial Analysis** (p.6-9) for the numbers, charts and the (strong) cash-flow picture.
- The **Valuation** (p.10) shows the method and the DRHP-named peer (S H Kelkar only); the **Scenarios** (p.11) show the range, not a single answer.
- The **Risk Factors** (p.13) and **Disclaimer** (p.15) are essential, not optional — read them before forming any view.

A NOTE ON METHOD

This report pairs an admiring view of Sacheerome's **quality and returns** with discipline on **price**: it normalises ROE for the IPO-cash drag rather than taking the headline at face value, and it confines the peer set to the **DRHP-named S H Kelkar** as requested. The aim is balance — to show **why the business deserves a premium** while being honest that **a premium is already being paid**.

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