IPO REVIEW

Goldline Pharmaceutical IPO

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- The company is engaged in the business of marketing pharma products under “Goldline” brand.
- It is fully dependent on third party supplies, that raise major concern.
- Higher margins posted by it compared to listed peers also raise eyebrows.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed/risk seekers/cash surplus investors may park moderate funds for medium term.

About the Company

Goldline Pharmaceuticals Ltd. (GPL) is engaged in the business of marketing pharmaceutical products under the brand name “Goldline.” Its product portfolio is organized into five distinct segments: Goldline Pharma, Goldline Cardinal, Goldline Aayushman, Goldline InLife, and Goldline Wellness.

The pharmaceutical products marketed under the “Goldline” brand are not manufactured by the Company. Instead, it enters into contractual arrangements with third-party manufacturers, who produce the products based on GPL’s market research, demand analysis, and specifications. These contractual arrangements ensure that all products meet the requisite quality standards and regulatory norms.

The products are marketed and sold exclusively under the “Goldline” brand. Its customers primarily comprise distributors, who further supply to retailers and wholesalers, forming the main channel of distribution to the end-users. Presently, the company maintains contractual arrangements with 15 manufacturers and 8 distributors, ensuring a stable supply chain and consistent market presence.

The Company also extend comprehensive material supply and procurement support to hospitals and healthcare partners. Through its promoter group entities as Numerius Healthcare Pvt Ltd & Activista Healthcare Pvt Ltd. The Company manages trading and supply chain operations, thereby ensuring reliable procurement, seamless distribution, and logistical efficiency.

Its entire play with third party arrangements poses for a big risk and raise alarm. Higher margins reported by GPL compared to its listed peers also remains concern. As of December 31, 2025, it had 112 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 2700000 equity shares of Rs. 10 each to mobilize Rs. 11.61 cr. at the upper cap. The company has announced a price band of Rs.

41 - Rs. 43 per share of Rs. 10 each. The minimum application to be made is for 6000 shares and in multiples of 3000 shares thereon, thereafter. The issue opens for subscription on May 12, 2026 and will close on May 14, 2026. The shares will be listed on BSE SME. The IPO constitute 28.13% of the post-IPO paid-up capital of the company. From the net proceeds of the fresh equity issue, it will utilize Rs. 8.35 cr. for repayment of certain borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Cumulative Capital Pvt. Ltd., and Bigshare Services Pvt. Ltd. is the registrar to the issue. Nirman Share Brokers Pvt. Ltd. is the market maker as well as a syndicate member.

After issuing initial equity capital at par value, it issued further equity shares in the price range of Rs. 15 – Rs. 50 per share between March 2012 and March 2024. It has also issued bonus shares in the ratio of 2 for 1 in June 2024. The offer document is missing the data on average cost of acquisition of shares by the promoters.

Post-IPO, company’s current paid-up equity capital of Rs. 6.90 cr. will stand enhanced to Rs. 9.60 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 41.28 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 19.85 cr. / Rs. 0.26 cr. (FY23), Rs. 23.57 cr. / Rs. 1.80 cr. (FY24), Rs. 28.06 cr. / Rs. 2.83 cr. (FY25). For 9M of FY26 ended on December 31, 2025, it earned a net profit of Rs. 2.22 cr. on a total income of Rs. 21.41 cr. The company marked quantum jump in its bottom lines from FY24 onward, that not only raise eyebrows, but also concern over its sustainability going forward, as it is operating in a highly competitive and fragmented segment.

For the last three fiscals, the company has reported an average EPS of Rs. 3.13 and an average RoNW of 22.06%. The issue is priced at a P/BV of 2.81 based on its NAV of Rs. 15.29 per share as of December 31, 2025, but its post-IPO NAV data is missing from offer documents.

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 13.92, and based on FY25 earnings, the P/E stands at 14.58. The issue appears aggressively priced based on its recent earnings. Its outperforming margins compared to listed peers is a big surprise and raise concern over its sustainability going forward.

The company has posted PAT Margins of 1.29% (FY23), 7.66% (FY24), 10.09% (FY25), 10.38% (9M-FY26), and RoCE margins of 19.43%, 32.40%, 38.45%, 24.22%, respectively for referred periods.

Contingent liabilities of Rs. 3.35 cr. as of December 31, 2025, raise alarm as well as concern as it is not acknowledged ed as debts.

Dividend Policy

While the company has not paid any dividends of the equity shares since incorporation, it paid dividends at the rate of 12% for FY23, FY24, FY25 and 9M-FY26 on the preference shares. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Mono Pharmacare, Chandra Bhagat Pharma, as its listed peers. They are currently trading at a P/E of 27.9, and 38.4 (as of May 07, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 7th mandate from Cumulative Capital in the last three fiscals (including the ongoing one). Out of the last 6 listings, all opened with premium ranging from 4.35% to 37.5% on the date of listing.

Conclusion / Investment Strategy

GPL is engaged in the business of marketing pharma products under “Goldline” brand. It is fully dependent on third party supplies, that raise major concern. Higher margins posted by it compared to listed peers also raise eyebrows. Based on its recent financial data, the issue appears fully priced. Small paid-up equity base post-IPO indicates longer gestation period for migration. Well-informed/risk seekers/cash surplus investors may park moderate funds for medium term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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