IPO REVIEW

S.K.Offset IPO

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- The company is engaged in printing, packaging and labeling business and also trading in related products.
- The company posted growth in its top and bottom lines for the reported periods.
- Quantum jump in its net profits for FY26 (a pre-IPO year) raise eyebrows and concern over its sustainability.
- Based on its recent average financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus/risk seekers may park moderate funds for medium term.

About the Company

S. K. Offset Ltd. (SKOL) is engaged in the business of Printing and packaging solutions. The business originally started with offset printing operations, which are commonly used for medium- to large-scale print production. Offset printing is a conventional printing process in which ink is transferred from plates onto paper or other surfaces. This method is generally used for items such as text books, brochures, catalogues, stationery, pamphlets, business forms, marketing materials, and other commercial print requirements where uniformity and bulk production are involved. Over the time, the business added labelling and promotional printing activities to its operations. This area includes the printing of stickers, labels, barcodes, and related materials that are commonly used for product identification, packaging information, branding, and promotional communication.

Label printing may include adhesive labels and product stickers produced in different sizes, formats, and finishes depending on application. In recent years, the business expanded into in-house packaging solutions by acquiring new machines. This segment includes designing and printing cartons, boxes, and other packaging-related materials used for product storage, transport, display, and branding purposes across different sectors. Packaging work may involve printed outer boxes, folding cartons, mono cartons, and customized packaging formats depending on client requirements. As part of this segment, digital design services are also available for packaging artwork, layout preparation, colour formatting, and print-ready file development.

The Company operates as an integrated provider of printing and packaging solutions, offering products such as offset printing of books, mono cartons, labels, master cartons. Its operations include printing, designing, graphics, lithography, and publication of general books, technical books, children’s books, textbooks, magazines, journals, and other materials. It is also involved in trading, importing, and exporting printing and packaging related materials including paper, paperboard, foils,

ink etc. The Company operates mainly from four facilities in Meerut with an aggregate covered area of approximately 38313 square feet. The Company has done forward integration and expanded its product offerings across printing, packaging and labelling segments. This has enabled customers to source multiple products from a single supplier, supporting operational efficiency, utilization of manufacturing capacity, and diversification across products and customers. As of the date of this offer document, it had 111 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 2325000 equity shares of Rs. 10 each to mobilize Rs. 29.06 cr. at the upper cap. The company has announced a price band of Rs. 119 – Rs. 125 per share. The minimum application to be made is for 2000 shares and in multiples of 1000 shares thereon, thereafter. The issue opens for subscription on September 23, 2026 and will close on September 25, 2026. The shares will be listed on BSE SME. The IPO constitute 30.03% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 2.11 cr. for capex on purchase of plant and machinery for Meerut Plant, Rs. 18.66 cr. for working capital, and the rest for general corporate purposes.

The IPO is solely lead managed by Comfort Securities Ltd., while Maashitla Securities Pvt. Ltd. is the registrar to the issue. SMC Global Securities Ltd. is a market maker.

After issuing / converting initial equity capital at par value, the company also issued further equity shares in the price range of Rs. 12.50 – Rs. 481.00 per share, between September 2012, and December 2025. It has also issued bonus shares in the ratio of 3 for 1 in March 2026. The data for the average cost of acquisition of shares by the promoters is Rs. 6.17, Rs. 9.26, and Rs. 14.71 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 5.42 cr. (5418320 equity shares) will stand enhanced to Rs. 7.74 cr. (7743320 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 96.79 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 23.31 cr. / Rs. 0.72 cr. (FY24), Rs. 48.65 cr. / Rs. 1.54 cr. (FY25), Rs. 67.00 cr. / Rs. 7.48 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods. Bumper profits for FY26 appears window dressing to pave the way for fancy valuations of the IPO. Rising trade receivables year-on-year, raise alarms

For the last three fiscals, the company has reported an average EPS of Rs. 8.24 and an average RoNW of 28.68%. The issue is priced at a P/BV of 3.42 based on its NAV of Rs. 36.50 per share as of March 31, 2026 , but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 12.94, and based on FY25 earnings, the P/E stands at 62.81. The issue appears

aggressively priced based on its recent average earnings.

The company has posted PAT Margins of 3.35% (FY24), 3.20% (FY25), 11.22% (FY26) and RoCE margins of 9.99%, 10.78%, 22.91%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. 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 no listed peers to compare with.

Merchant Banker's Track Record

This is the 3 rd mandate from Comfort Securities Ltd., in the last three fiscals (including the ongoing one). Out of the last 2 listings, 1 opened at discount, and the 1 listed with a premium of 10.14% on the listing date. The lead manager has an average track record.

Conclusion / Investment Strategy

SKOL is engaged in printing, packaging and labeling business and also trading in related products. The company posted growth in its top and bottom lines for the reported periods. Quantum jump in its net profits for FY26 (a pre-IPO year) raise eyebrows and concern over its sustainability. Small equity base post-IPO, indicated longer gestation period for migration. Based on its recent average financial data, the issue appears aggressively priced.

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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