IPO REVIEW

Sri Priyanka Geo Commex IPO

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- The company is engaged in supplying minerals and manufacturing of rice bran oil.
- The company marked growth in its top lines for the reported periods.
- Boosted bottom lines from FY25 and bumper profits for 9M-FY26 raise eyebrows and concern over its sustainability going forward.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed/cash surplus investors may park funds for long term.

About the Company

Sri Priyanka Geo Commex Ltd. (SPGCL) is a commodity focused group engaged in supplying of minerals, and manufacturing of rice bran oil. With active operations across India, Morocco, and Singapore, its operating locations enable it to efficiently respond to regional market dynamics and evolving demand patterns. Its mineral portfolio includes Barite, Fluorspar, and Copper Cathode - inputs for industries ranging from energy and chemicals to infrastructure and electronics.

Through its network, the company has leveraged infrastructure and logistics capabilities to seamlessly connect producers with end-users, driving greater efficiency, reliability, and value across the supply chain. The Company does not use any specialized, proprietary or custom-built software for its business operations. The nature of the Company’s business does not require deployment of any specialized information technology systems. The Company primarily uses standard off-the-shelf accounting software and basic information technology tools for maintaining books of accounts, statutory compliances, record keeping and routine administrative functions.

Such software is used under valid licenses and does not constitute a core operational dependency. Further, the Company has implemented basic data protection and information security practices, including restricted access to systems, password-protected devices, periodic data backups and use of standard antivirus and firewall protections, commensurate with the size and scale of its operations. In parallel, SPGCL operates across the rice bran oil value chain, encompassing the manufacture of crude rice bran oil, its refining, and the processing of associated residues and by-products. These include De-Oiled Rice Bran (DORB), Fatty Acids, Gums, Spent Earth, and Wax—each contributing to a diversified product suite that supports downstream industries and promotes circular resource utilization.

It supplies Grade A cathodes to customers in UAE and Singapore. Its cathodes meet London Metal Exchange (LME) approved specifications, ensuring consistent quality for industrial and commercial

applications. Its total Copper Cathode sale in FY2025 was 1,806.47 tons and for the nine months ended December 31, 2025 was 1,202.54 tons. As a backward integration strategy to secure its supplies and support the increasing demand for Barite and Copper, the company has secured mining permit for one Barite mine and one Copper mine, both in Morocco. The Company has been allocated a Barite mining permit bearing Permit No. 3739267 situated in the Ighoud Commune, Youssoufia Province, Marrakech- Safi Region, Kingdom of Morocco. Based on the geological assessment reports, the mining area is estimated to contain approximately 0.75 million MT of Barite ore with an average grade of 4.25. the Company expects to receive the mining license by the end of June 2026 or mid-July 2026, following which commercial extraction and sale of barite from the mine is proposed to commence. As of December 31, 2025, it had over all 32 employees on its payroll and an additional force of 25 contractual employees.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 4458000 equity shares of Rs. 10 each to mobilize Rs. 94.51 cr. at the upper cap. The company has announced a price band of Rs. 207 - Rs. 212 per share. The minimum application to be made is for 1200 shares and in multiples of 600 shares thereon, thereafter. The IPO opens for subscription on 2026, and will close on 2026. The IPO constitute 27.46% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds of the IPO, it will utilize Rs. 10.00 cr. for repayment/prepayment of certain loans, Rs. 47.00 cr. for investment in wholly owned subsidiary Geo Min Commodities Pte. Ltd., Rs. 16.50 cr. for working capital, and the rest for general corporate purposes.

The IPO is solely lead managed by Horizon Management Pvt. Ltd., and Cameo Corporate Services Ltd., is the registrar to the issue. Nikunj Stock Brokers Ltd., is the market maker, and also a syndicate member. The issue is under written to the tune of 15% by Horizon Management and 85% by Nikunj Stock Brokers.

After issuing initial equity capital at par value, the company issued further equity shares at Rs. 100 per share in March 2009 and May 2009. It has also issued bonus shares in the ratio of 1.547 for 1 in March 2012, and 2.975 for 1 in July 2025. The average cost of acquisition of shares by the promoters is Rs. NA per share.

Post-IPO, company’s current paid-up equity capital of Rs. 11.78 cr. will stand enhanced to Rs. 16.24 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 344.22 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) reported a total revenue/net profit of Rs. 219.48 cr. / Rs. 1.33 cr. (FY23), Rs. 250.19 cr. / Rs. 2.04 cr. (FY24), Rs. 266.65 cr. / Rs. 9.82 cr. (FY25). For 9M of FY26 ended on December 31, 2025, it

earned a net profit of Rs. 17.76 cr. on a total revenue of Rs. 249.67 cr. The boosted bottom lines from FY25 onwards raise eyebrows and concern over its sustainability going forward.

For the reported period, the company has reported an average EPS of Rs. 4.94, and an average RoNW of 19.80%. The issue is priced at a P/BV of 4.89 based on its NAV of Rs. 43.34 per share as of December 31, 2025, but its post-IPO NAV data is missing from the 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 14.54, and based on FY25 earnings, the P/E stands at 35.04. The issue appears fully priced, based on its recent earnings.

For the reported periods, the company has posted PAT margins of 0.61% (FY23), 0.81% (FY24), 3.69% (FY25), 7.15% (9M-FY26), and RoCE margins of 17.07%, 24.78%, 45.94%, 46.17%, 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 shown GMDC Ltd., as its listed peer. It is currently trading at a P/E of 34.7 (as of June 19., 2026. However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 27th mandate from Horizon Management in the last four fiscals (including the ongoing one). Out of the last 10 listings, 4 opened at discount, 1 at par, and the rest listed with a premium ranging from 3.08% to 90.00% on the listing date.

Conclusion / Investment Strategy

SPGCL is engaged in supplying minerals and manufacturing of rice bran oil. The company marked growth in its top lines for the reported periods. Boosted bottom lines from FY25 and bumper profits for 9M-FY26 raise eyebrows and concern over its sustainability going forward. Based on its recent financial data, the issue appears fully priced. Well-informed/cash surplus investors may park funds for long 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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