

13 May 2026

# Goldline Pharmaceutical Limited – SUBSCRIBE

## Company Overview

Goldline Pharmaceutical Limited (GPL) is a Nagpur-based pharmaceutical marketing and distribution company, incorporated in 2004 and converted into a public limited company in 2013. The company operates a unique asset-light business model, focusing exclusively on the marketing and distribution of off-patent pharmaceutical formulations under its proprietary "Goldline" brand.

## Investment Rationale

- **Asset Light Scalable Model:** 100% outsourced manufacturing across 15 GMP-certified CMOs eliminates capex burden, drives capital efficiency, and supports rapid scalability, reflected in superior RoCE of 38.45% and RoE of 35.83% (FY25).
- **Diversified Therapeutic Portfolio:** 146 products across 5 divisions, Pharma, Cardinal, Aayushman, InLife and Wellness, provide balanced exposure to acute, chronic, paediatric, critical care and oncology supportive therapies.
- **Strong IP Moat:** 67 registered trademarks under Class 5, including key brands Amclue, Azithree, Glimgold, Telcros and Cabgold, support brand recall and pricing power.
- **Best in Class Profitability vs. Peers:** FY25 EBITDA margin of 20.78% and PAT margin of 10.09% materially outperform Mono Pharmacare (6.17%/3.74%) and Chandra Bhagat Pharma (4.69%/0.99%).
- **Strong Earnings Trajectory & Deleveraging:** Revenue CAGR of ~18.9% (FY23–FY25), PAT grew 11x from Rs. 25.66 Lakh to Rs. 283.22 Lakh. D/E reduced from 3.09x to 1.07x, with further compression post-IPO debt repayment.
- **Experienced Promoter Team:** Combined 55+ years of pharma marketing, distribution and supply chain expertise driving strategic continuity.
- **Favourable Industry Tailwinds:** Indian pharma market projected to reach US\$ 130 billion by 2030, driven by chronic disease growth, well-aligned with GPL's Cardinal and InLife divisions.

## Valuation

At the IPO price of Rs. 43, Goldline Pharmaceutical is valued at 10.5x FY25 earnings, which is below the industry average P/E of 18.26x. The valuation appears reasonable considering its strong profitability, 27.37% RoNW, and steady growth. Compared to peers, it trades above Mono Pharmacare Limited but below Chandra Bhagat Pharma Limited, indicating fair pricing with long-term growth potential. Hence, we recommend **SUBSCRIBE** to this SME IPO.

### IPO Details

Industry	Pharmaceuticals
Issue Open Date	12-May-26
Issue Close Date	14-May-26
Price Band	Rs. 41-43
Issue Size*	Rs. 1,161 Lakh
Issue Size (Shares)	27,00,000
Bid Lot	3,000 Shares
Listing Exchanges	BSE SME
Face Value	Rs. 10/-

\* At highest price band

### Issue Details

Fresh Issue*	Rs. 1,102 Lakh
Issue Type	Fresh Capital
Lead Manager	Cumulative Capital
Registrar	Bigshare Services
Issue structure	Market Maker: 5.11% QIB: 47.11% NII: 14.44% Retail: 33.33%
Allotment	15-May-26
Credit of Shares	18-May-26
Listing Date	19-May-26

### Objective of Issue

Particular	Estimated Amt (in Lakh)
Pre / Repayment	835
General Corporate	-

### Shareholding Pattern

Shareholding (%)	Pre (%)	Post (%)
Promoter	79.70	57.29
Public & Others	20.29	42.71

## Business Highlights

### Five Specialized Product Divisions

Division	Products	Therapeutic Focus
Goldline Pharma	42	General medicine (Orthopedics, ENT, Gastroenterology, Urology)
Goldline Cardinal	54	Cardio-diabetic formulations
Goldline Aayushman	18	Pediatric and gynecology
Goldline InLife	22	Critical care and injectables (ICU)
Goldline Wellness	10	Oncology support and nutritional

### Geographic Presence:

- Domestic only operations, no import/export license.
- Maharashtra (44.36%) and Madhya Pradesh (26.51%) are 70.87% of revenue.
- Other states: Odisha, Jharkhand, Tamil Nadu, Rajasthan, Bihar, Chhattisgarh, UP, Goa.

## Financials

### Financial Performance:

Particulars (in Lakh)	FY23	FY24	FY25	9MFY26	CAGR (FY23-25)
Revenue from Operations	1,985	2,357	2,806	2,141	19%
EBITDA	219	430	583	416	63%
EBITDA Margin	11.06%	18.25%	20.78%	19.41%	
PAT	26	180	283	222	232%
PAT Margin	1.29%	7.66%	10.09%	10.39%	

- Revenue grew at 19% CAGR with consistent upward trajectory
- EBITDA margin nearly doubled, reflecting operating leverage.
- PAT grew 11x in 3 years, exceptional bottom line expansion.
- Pricing strategies and discounts stimulated demand without compromising margins

### Balance Sheet:

Particulars	FY23	FY24	FY25	9MFY26	Particulars	FY23	FY24	FY25	9MFY26
<b>Equity &amp; Liabilities</b>					<b>Assets</b>				
Net Worth	589	786	1,035	1,236	PPE	250	340	289	276
Long Term Debt	381	405	319	304	Inventories	537	749	678	766
Short Term Debt	702	708	784	643	Trade Rec.	863	962	1,069	1,290
Trade Payables	87	164	206	190	Cash	5	79	124	76

- **Asset-light validation:** Fixed Assets only 10% of Total Assets.
- **Working capital intensive:** Receivables + Inventories is 75% of Total Assets
- **Trade Receivables rising steeply:** From Rs. 862.74 to Rs. 1,290.45 Lakh (+49.6% over 3 years)
- **Significant deleveraging:** Total borrowings reduced from Rs. 1,322.65 Lakh (Mar 2025) to Rs. 1,023.00 Lakh (Dec 2025).

## Cash Flow:

Particulars	FY23	FY24	FY25	9MFY26
Operating Cash Flow	239.12	292.24	232.14	232.23
Investing Cash Flow	(103.49)	(110.88)	16.23	(5.26)
Financing Cash Flow	(144.31)	(107.78)	(203.38)	(274.78)
Net Cash Flow	(8.68)	73.57	44.98	(47.81)

- Operating cash flow remained stable despite huge PAT growth, indicates working capital absorption.
- High finance costs: Rs. 172.35 Lakh in FY25, IPO proceeds for debt repayment should reduce this materially.
- Recent debt repayment focus: Net outflow of Rs. 156.38 Lakh (9M FY26) shows commitment to deleveraging.
- Investing activities turned positive in FY25: Asset sale of Rs. 37.84 Lakh, minimal capex aligned with asset-light model.

## Key Ratios:

Ratio	FY25
Return on Equity	35.83%
Return on Capital Employed	38.45%
Debt-Equity Ratio	1.50x
Current Ratio	1.98x
EPS (Rs.)	4.10
NAV (Rs.)	12.38

- RoE of 35.83% - Exceptional capital efficiency; 3x+ the listed peer average, driven by asset-light model and operating leverage.
- RoCE of 38.45% - Strong return on total capital deployed; reflects minimal fixed-asset base and improving margin profile.
- D/E of 1.50x - Elevated leverage for a trading-led business, will compress sharply to 0.07x post-IPO debt repayment.
- Current Ratio of 1.98x - Comfortable short term liquidity; however, masks the stretched receivable cycle (140 days).

## Peer Comparison

Metrics (FY25)	Goldline Pharma	Mono Pharmacare	Chandra Bhagat Pharma
Revenue	2,806	16,834	8,672
EBITDA	583	510	406
PAT	283	309	86
EPS	4.1	1.75	1.14
RONW	27.37%	9.90%	2.86%
NAV	12.38	17.66	39.72
P/E Ratio	10.48	7.57	28.94

## Risk & Concerns

- **Total Outsourcing Dependency:** 100% reliant on 15 third party manufacturers with no in-house manufacturing/R&D backup.
- **Lead Time Vulnerability:** Manufacturers take 15-60 days, creating supply chain risk.
- **Supplier Concentration:** Top 1 supplier 52.40% of purchases; Top 5 - 78.62%.
- **Customer Concentration:** Top 1 customer 35.29% of revenue; Top 5 - 77.26%; Top 10 - 89.39%
- **Geographic Concentration:** Maharashtra and MP are 70.87% of revenue.
- **Distributor Concentration:** only 8 distributors.
- **Related Party & Conflict of Interest Risks:** 22.04% of revenue comes from three Promoter Group entities: Nucleage Pharma Solutions, Activista Healthcare, and Numerius Healthcare.
- **Working Capital Intensive Business:** Receivables Rs. 1,290.45 Lakh by Dec 2025.
- **Contingent Liabilities:** Income Tax demands of Rs. 271.23 Lakh in appeal.
- **Promoter Criminal Proceeding:** FIR No. 0315, alleged tampering/sale of pharmaceutical products meant for government supply.

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