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Can spice IPOs be a game-changer for the industry?

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By **Sanjiv Das** | February 3, 2026



Spice IPOs

> WordPress post #38761

India is one of the largest producers of spices. Indian spice manufacturers with an eye on the global demand are eying Initial Public Offerings (IPOs) to boost exports. The recent IPOs, which have generated interest among investors, are a testament to the growing demand. However, not everyone may see success in the long run. Spice manufacturers and experts give their insights on the long-term impact of IPOs on the spice industry.

India is one of the largest producers of spices. The country dominates the global spice market. According to estimates, the spice market in India was valued at Rs 2,00,647 crore in 2024 and is expected to double to Rs 5,13,253 crore by 2033. Major spices include chilli, turmeric, ginger, coriander, and cumin, which account for 76 per cent of output.

The leading producers of spices in India are Madhya Pradesh, Rajasthan, Gujarat, Andhra Pradesh, Telangana, Karnataka, Maharashtra, and Kerala.

The World Spice Organisation, a collaborative platform that unites all stakeholders in the spice industry, is seeing an increased investor interest in spice companies. Investors are optimistic about the spice sector since it has been growing in an impressive manner, year on year, both in the domestic and export segments and this trend is expected to continue.
A number of spice companies have moved beyond being pure commodity players and have built stronger brands, export markets, value-added products and better quality and compliance systems.

India is seeing spice majors going in for IPOs. The rising demand for food and beverages, medicinal use, and packaged spices have led to the growth of the sector, seeing the sector grow to newer heights. Many companies are listed on the National Stock Exchange and the Bombay Stock Exchange SME platforms.

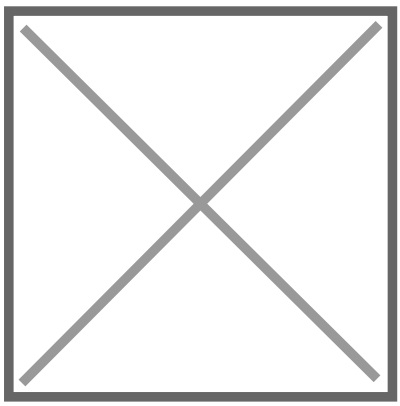
Recent IPOs and the need

Jaipur-based Shyam Dhani Industries, engaged primarily in manufacturing and processing varieties of spices under the brand ‘SHYAM’, recently went in for an IPO. The company produces 160 varieties of spices. The company became the 5th most subscribed SME IPO ever. It was subscribed 988 times over the three-day period, receiving 361.55 crore share bids (6,22,097

applications) against the available quota of 36.58 lakh shares. This particular IPO is being claimed to be highly successful and has become the most subscribed SME IPOs ever.



Says **Ramawtar Agarwal, Chairman and Managing Director, Shyam Dhani Industries**, “The IPO will provide strategic capital to reinforce our capabilities and accelerate the next phase of expansion. The proceeds will be utilised to enhance working capital, strengthen brand visibility, upgrade machinery at our existing manufacturing unit, and invest in a solar rooftop system. These initiatives will improve operational efficiency, expand capacity, and support sustainable value creation as we scale our presence across India and international markets.”



Adding to it **Ashok Holani, Director, Holani Consultants**, “The IPO will equip the company with the capital required to strengthen its operational backbone and drive the next phase of sustainable expansion. The proposed investments
toward working capital, brand building, manufacturing upgrades, and renewable energy initiatives reflect a clear focus on scale, efficiency, and long-term value creation. We believe this public offering will further enhance the company’s market position and support its ambition to grow across India and emerging global markets.”

Bengaluru-based Orkla India, the parent company of the MTR and Eastern spice brands, received SEBI approval for a Rs 1,667-crore IPO listed in November 2025. Although not a pure-play spice player, it has a large proportion of its sales from Eastern Condiments and MTR Foods. Other large, listed conglomerates like ITC Foods and Tata Consumer Products have an exposure

to spices but have other F&B segments as well.

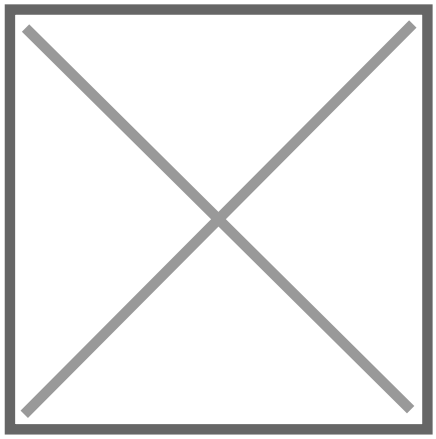
Rajkot-based Shreeji Global FMCG's SME IPO was open for subscription in November 2025. The company deals in a wide variety of spices, pulses, grains, and food products under the brand 'SHETHJI. The company aims to utilise the proceeds in capital expenditure for factory infrastructure, to modernise and expand its plant, machinery, and cold storage facilities, towards solar power systems to reduce energy costs and promote eco-friendly production and to support working capital requirements to streamline daily operations and order fulfilment.

Previous IPOs

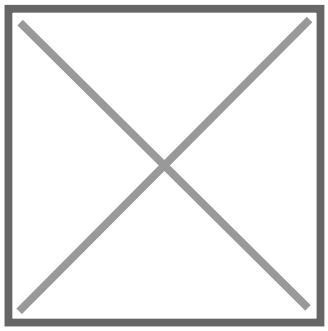
Way back in 2023, Hyderabad-based Srivari Spices and Foods raised Rs 9 crore at Rs 40-42 per share. In the same year, Jamnagar-based Madhusudan Masala shares were listed at a 71.4 per cent premium at Rs 120 on NSE SME against the IPO price of Rs 70 per share.

Challenges

There are significant hurdles associated with the IPOs by spice majors in India. Quality issues to regulatory compliance, market dynamics, etc. are the likely challenges for an IPO to succeed in the long run. Inconsistent raw materials, pesticides, and microbial contaminations are some of the hurdles. Investors investing in IPOs look for hurdles and shy away from taking part in any future activities. Other challenges are supply chain issues, port delays leading to export import issues, contamination risks, and overreliance on commodity exports, which hinder value addition.



According to **Ramkumar Menon, Chairman, World Spice Organisation, Chairman, Technical Committee, All India Spices Exporters Forum (AISEF)**, not all IPOs will sustain equally well. Menon says, “Long-term performance will depend on how strong the company’s fundamentals are. Companies with professional management, good governance, stable and responsible sourcing, diversified markets and a focus on quality and traceability are more likely to do well. High subscription numbers at the time of IPO show interest, but long-term success depends on consistent performance. The spice industry faces risks such as raw material price volatility, climate-related supply issues and changing food safety regulations across countries. After listing, companies also face pressure to deliver quarterly results and manage higher compliance costs. This transition can be challenging.”



The future

Talking about the IPO trends in spice industry **Amit Dutta, Director, Agri-Foods & Nutrition Growth Advisory, Frost &**

Sullivan, says, “Based on historical trends and current markets, we can expect 2-3 SME IPOs in this space this year, but it is difficult to predict. The market is enthusiastic about SME listings, with all space listings being fully subscribed with a good response.”

The spice industry benefits from steady demand, rising rural penetration and changing dietary habits. With intense competition, thin margins and brand differentiation, sometimes it becomes difficult to sustain. Spice companies should balance cost efficiency with consistent quality and distribution strength. They also need to generate confidence among the shareholders to sustain the IPO in the long run.

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