IPO REVIEW

Mopshop Distribution IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 19 August 2026

- The company is engaged in providing facility management supplies.
- It posted growth in its top and bottom lines for the reported periods.
- Boosted top and bottom lines for FY25, 11M-FY26 appears to be a window dressing to fetch fancy valuation for the IPO.
- Based on its recent financial data, the issue appears aggressively priced.
- There is no harm in skipping this pricey and dicey issue.

About the Company

Mopshop Distribution Ltd. (MDL) is engaged in the business of providing Facility Management Supplies (FMS). Headquartered in Vasai, Maharashtra, and established in 2018, the company has built a strong presence through its business-to-business (B2B) model. With a focus on cleaning tools and hygiene consumables, the Company serves an extensive and diversified client base, spanning across various industries like Banking, Financials and Insurance (BFSI), construction and real estate, healthcare and also caters to the needs and requirements of various facility management companies with an operational footprint across multiple geographical locations and a growing roster of over 300 clients across India.

MDL’s product portfolio includes cleaning and hygiene consumables such as Microfiber cloths, Surface Disinfectants, Sensor-based Dispensers, Bio-degradable Garbage Bags, Tissue Papers, Pedal Bins, Wringer Buckets, Vacuum Cleaners, Air Fresheners, Tool Kits, and related accessories - engineered for functionality, durability, and affordability. The Company distributes its offerings through its customized digital infrastructure by way of an Online Order Management platform developed through a third-party service provider and dedicated business development team.

Its agile, asset-light operating model, coupled with a strong digital backend, allows it to efficiently manage procurement and fulfilment at scale. MDL’s growth is underpinned by India’s increasing focus on hygiene, structured facility management, and organized supply chains. Its strong positioning in the digital ecosystem, pan-India accessibility, and evolving product lines align well with the evolving expectations of facility operators, institutional buyers, and enterprise clients. As of the date of this offer document, it had 89 employees on its payroll.

Promoters and Promoters Group

Mr. Prakash Hakim Singh: Managing Director

Prakash Hakim Singh and Bunty Hakim Singh Gaur: Promoter and Wholetime Director

Issue Details / Capital History

The company is coming out with its maiden combo IPO of 1975000 equity shares of Rs. 10 each at a fixed price of Rs. 138 per share to mobilize Rs. 27.26 cr. The IPO consists of 1600000 fresh equity shares worth Rs. 22.08 cr. and an Offer for Sale (OFS) of 375000 equity shares worth Rs. 5.18 cr. The minimum application to be made is for 2000 shares and in multiples of 1000 shares thereon, thereafter. The issue opens for subscription on August 19, 2026 and will close on August 21, 2026. The shares will be listed on BSE SME. The IPO constitute 27.43% of the post-IPO paid-up capital of the company. The company is spending Rs. 3.13 cr. for this IPO process, and from the net proceeds of the issue, the company will utilize Rs. 11.98 cr. for repayment/prepayment of certain borrowings, Rs. 2.60 cr. for purchase of commercial vehicles for logistics, Rs. 1.06 cr. for capex on setting up rooftop grid solar power plant, and Rs. 3.31 cr. for general corporate purposes.

The IPO is solely lead managed by Khandwala Securities Ltd., and Cameo Corporate Services Ltd. is the registrar to the issue. Prabhat Financial Services Ltd., is a market maker. Khandwala Securities Ltd. is also a syndicate member. The IPO is underwritten to the tune of 15.04% by Khandwala Securities Ltd., and 84.96% by Prabhat financials Services Ltd.

After issuing entire initial equity capital at par value, the company issued bonus shares in the ratio of 7 for 1 in June 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NA, Rs. 1.25, and Rs. 10.00 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 5.60 cr. will stand enhanced to Rs. 7.20 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 99.36 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 30.02 cr. / Rs. 0.81 cr. (FY23), Rs. 37.86 cr. / Rs. 1.42 cr. (FY24), Rs. 42.00 cr. / Rs. 3.48 cr. (FY25), 44.66 cr. / Rs. 5.18 cr. (11M-FY26). Boosted profits for 11M-FY26 raise eyebrows and concern over its sustainability. There appears to be some window dressing to fetch fancy valuation for the IPO.

For the last three fiscals, the company has reported an average EPS of Rs. 4.22 and an average RoNW of 52.75%. The issue is priced at a P/BV of 7.87 based on its NAV of Rs. 17.53 per share as of February 28, 2026, but its post IPO NAV data is having garbled info in 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 17.60, and based on FY25 earnings, the P/E stands at 28.57. The issue appears aggressively priced based on its recent earnings.

The company has posted PAT Margins of 2.70% (FY23), 3.74% (FY24), 8.28% (FY25), 11.61% (11M-FY26) and ROCE margins of 26.10%, 29.26%, 50.12%, 32.35%, 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 Niparo Trading, Miraclean Tools, as its peers. Being Pvt. Ltd. entities, peers have no records of its trading. However, they are not truly comparable on an apple-to-apple basis. This compare appears as an eyewash.

Merchant Banker's Track Record

This is the 11th mandate from Khandwala Securities in the last four fiscals (including the ongoing one). Out of the last 10 listings, 4 opened at discount, 2 at par, and the rest listed with a premium ranging from 7.35% to 90.00% on the listing date.

Conclusion / Investment Strategy

MDL is engaged in providing facility management supplies. It posted growth in its top and bottom lines for the reported periods. Boosted top and bottom lines for FY25, 11M-FY26 appears to be a window dressing to fetch fancy valuation for the IPO. Based on its recent financial data, the issue appears aggressively priced. Small-paid up equity capital post IPO indicates longer gestation period for migration. There is no harm in skipping this pricey and dicey issue.

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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