IPO REVIEW

Vaibhav Vyapaar IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 12 October 2026

- The company is an RBI registered NBFC providing financial services to first time borrowers and low-income salaried professionals.
- With its unsecured loan distribution, it is playing with a high risk.
- Boosted top lines from FY26 onwards and bumper profits for 4M-FY27 raise eyebrows and concern over its sustainability, as it is operating in a highly competitive and fragmented segment.
- Based on its recent average financial data, the issue appears aggressively priced.
- There is no harm in skipping this high risk, pricey and dicey offer.

About the Company

Vaibhav Vyapaar Ltd. (VVL) is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI). It provides unsecured personal loans to salaried individuals and self-employed individuals through its fully digital lending platform, both on a direct lending and co-lending basis. In parallel, the company also generates revenue by offering application and technology services to other NBFCs. Its operating model enables credit access, particularly first-time borrowers, including lower-income salaried professionals.

The company operate through mobile application, which support loan origination, due diligence and underwriting process along with documentation, disbursal, and repayment. Its digital infrastructure uses verification and technology-enabled tools that facilitate credit assessment, credit decisioning and risk evaluation. VVL offers personal loans under the brand “LoanFront”, through Mobile application namely “LoanFront- Personal Loan App” which provides credit facilities to retail customers. Alongside its direct lending portfolio, the company also participates in co-lending arrangements other NBFCs, wherein loans are originated, underwriting process along with documentation, and services.

VVL’s lending operations are focused on meeting the credit requirements of salaried individuals and self-employed borrowers across urban and semi-urban regions of India. VVL was incorporated on 29.02.2009. Whereas the NBFC license was granted by RBI on August 18, 2010 and was in operation since incorporation for 15 years.

Thereafter the company was acquired by CapFront Technologies Private Limited in October 2019. From last 6 Years, Company was operating its lending business using the digital lending platform i.e., “LoanFront”. As on 31.07.2026, it has Asset Under Management (AUM) of Rs. 81.24 cr. and a net

worth of Rs. 47.20 cr. The Company also maintained a debt-to-equity ratio of 0.80 as on 31.07.2026. Its selling proposition is presence across multiple geographies, a range of offerings for clients, and an experienced management team. The management's experience supports risk management and enables the disbursal of loans to a diverse set of customers. The company has lion share of its direct lending model, followed by co-lending business. Repeat customers contribute over 75% of its business. As of July 31, 2026, it had 56 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 7796000 equity shares of Rs. 5 each to mobilize Rs 42.10 cr. at the upper cap. The company has announced a price band of Rs. 51 – Rs. 54 per share. The minimum application to be made is for 4000 shares and in multiples of 2000 shares thereon, thereafter. The IPO opens for subscription on October 13, 2026, and will close on October 15, 2026. The IPO constitute 27.66% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds, it will utilize Rs. 32.00 cr. for augmenting its capital base, and the rest for general corporate purposes.

The IPO is solely lead managed by GetFive Advisors Pvt. Ltd., while KFin Technologies Ltd., is the registrar to the issue. Prabhat Financial Services Ltd. is the market maker, and also a syndicate member.

The company has issued initial equity capital at par value, and issued further equity shares in the price range of Rs.35.00 – Rs. 50.00 per share (on the basis of Rs. 5 FV), between May 2009, and June 2026. It has also issued bonus shares in the ratio of 1 for 1 in December 2025. The average cost of acquisition of shares by the promoters is Rs. 10.71, Rs. 17.57, Rs. 23.50, and Rs. 30.00 per share.

Post-IPO, company's current paid-up equity capital of Rs. 10.19 cr. (20386423 equity shares) will stand enhanced to Rs. 14.09 cr. (28182423 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 152.19 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has reported a total income/net profit of Rs. 25.46 cr. / Rs. 0.45 cr. (FY24), Rs. 25.34 cr. / Rs. 1.48 cr. (FY25), and Rs. 37.64 cr. / Rs. 1.97 cr. (FY26). After static top lines for FY24 and FY25, it marked growth in its top and bottom lines for FY26. For 4M -0f FY27 ended on July 31, 2026, it earned a net profit of Rs. 3.01 cr. on a total income of Rs. 18.15 cr. This sudden boost in top and bottom lines raise eyebrows and concern over its sustainability, as it is operating in a highly competitive and fragmented segment. Such spectacular performance in a pre-IPO period appears a window dressing to pave the way for fancy valuations for IPO.

For the last three fiscals, the company has reported an average EPS of Rs. 0.96, and an average RoNW of 5.48%. The issue is priced at a P/BV of 2.33 based on its NAV of Rs. 23.15 per share as of

July 31, 2026, but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 16.88, and based on FY25 earnings, the P/E stands at 77.14. The issue appears exorbitantly priced, based on its average earnings.

For the reported periods, the company has posted PAT margins of 1.80% (FY24), 5.91% (FY25), 5.36% (FY26), 16.70% (4M-FY27), and RoCE margins of 15.67%, 15.72%, 26.99%, 12.44%, respectively, for referred periods.

Dividend Policy

The company has not declared any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its future prospects, and financial performance.

Comparison with Listed Peers

As per the offer document, the company has shown Paisalo Digital, Apollo Finvest, Moneyview, as its listed peers. They are currently trading at a P/E of 29.5, 21.2, and 28.0 (as of October 09, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 5th mandate from GetFive Advisors, in the last two fiscals (including the ongoing one). Out of the last 4 listings, 1 opened at discount, 1 at par, and the rest with premium ranging from x14.43% to 19.04% on the listing date. The merchant banker has an average track record so far.

Conclusion / Investment Strategy

VVL is an RBI registered NBFC providing financial services to first time borrowers and low-income salaried professionals. With its unsecured loan distribution, it is playing with a high risk. Boosted top lines from FY26 onwards and bumper profits for 4M-FY27 raise eyebrows and concern over its sustainability, as it is operating in a highly competitive and fragmented segment. Based on its recent average financial data, the issue appears aggressively priced. There is no harm in skipping this high risk, pricey and dicey offer.

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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