IPO REVIEW

Vinit Mobile IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 27 June 2026

- The company is engaged retail segment for multibrand mobiles, tablets and related accessories under one roof.
- It is operating from its 35 COCO stores across Gujarat, and Rajasthan.
- It reported spectacular performances from FY24 onwards, that really surprises.
- Based on its super financial data, the issue appears aggressively priced.
- It is operating in a highly competitive and fragmented segment.
- There is no harm in skipping this pricey bet.

About the Company

Vinit Mobile Ltd. (VML) originally incorporated as Tanya Silk Mills Pvt. Ltd., and later rechristened as Vinit Mobile Ltd., is currently based in Surat district of Gujarat and Jaipur district of Rajasthan and operates in the multibrand mobile retail segment, offering mobile phones, tablets, and related accessories. While the Company was incorporated earlier, its current business operations commenced in FY 2022–23 after a change in management.

As on the date of this Red Herring Prospectus, the Company manages 35 Company-owned retail stores across Surat district and Jaipur district, including locations such as Pandesara, Kadodara, Sachin, Amroli, Hazira, Sayan, Saroli, Nilgiri and Jaipur. It deals in a wide range of mobile handsets of most of the major brands in India which includes Apple, One Plus, Motorola, Samsung, Vivo, Oppo, Realme and Xiaomi etc. Alongside smartphones, its stores also stock mobile related products such as tablets, data cards, and a variety of accessories like earphones, chargers, power banks, screen guards and mobile covers, all available under one roof across its chain of 35 retail outlets.

The Company follows a Company-Owned and Company-Operated (“COCO”) model, whereby its retail stores are owned and operated by the Company. Under this model, the Company directly manages store operations, including recruitment and training of personnel, inventory planning and replenishment, pricing and promotional execution, and customer service procedures. The COCO model supports consistency in operating practices across its retail network.

The Company provides after-sales assistance to customers for mobile phones and accessories sold through its stores. Such assistance includes facilitating access to authorized service centers for maintenance, repair, or warranty-related services. All mobile phones and accessories are sold with standard manufacturer warranties. VML coordinates with suppliers and service centers to address customer complaints relating to defective products, in accordance with applicable warranty terms.

Moreover, it provides free home delivery for selected purchases. Ther Company also undertakes promotional schemes during festive periods, including discount and cashback-based offers, in accordance with applicable terms and conditions. As of May 31, 2026, it had 46 employees on its payroll, and additional 72 marketing staff from brand partners.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 2160000 equity shares of Rs. 10 each to mobilize Rs. 34.13 cr. at the upper cap. The company has announced a price band of Rs. 150 - Rs. 158 per share. The minimum application to be made is for 1600 shares and in multiples of 800 shares thereon, thereafter. The IPO opens for subscription on June 30, 2026, and will close on July 02, 2026. The IPO constitute 35.01% 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. 23.75 cr. for working capital, Rs. 0.62 cr. for setting up of new stores, and the rest for general corporate purposes.

The IPO is solely lead managed by Comfort Securities Ltd., and Bigshare Services Pvt. Ltd., is the registrar to the issue. Comfort Securities Ltd., is also the market maker. The IPO is underwritten to the extent of 15% by Comfort Securities, and 85% by Prabhat Financial Services.

After issuing initial equity capital at par value, the company issued bonus shares in the ratio of 400 for 1 in October 2025. The average cost of acquisition of shares by the promoters is Rs. 0.25, and Rs. 0.35 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 4.01 cr. will stand enhanced to Rs. 6.17 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 97.49 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has reported a total income/net profit/ - (loss), of Rs. 0.001 cr. / Rs. – (0.0001) cr. (FY23), Rs. 28.59 cr. / Rs. 0.72 cr. (FY24), Rs. 60.63 cr. / Rs. 3.90 cr. (FY25). For 9M of FY26 ended on December 31, 2025, it earned a net profit of Rs. 5.11 cr. on a total income of Rs. 56.01 cr. It appears that there is a window dressing to fetch fancy valuations for the IPO.

For the reported period, the company has reported an average EPS of Rs. 5.47, and an average RoNW of 76.65%. The issue is priced at a P/BV of 6.52 based on its NAV of Rs. 24.22 per share as of December 31, 2025, and at a P/BV of 2.22 based on its post-IPO NAV of Rs. 71.05 per share, at the upper cap.

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 14.31, and based on FY25 earnings, the P/E stands at 25. The issue appears aggressively priced, based on its recent earnings.

For the reported periods, the company has posted PAT margins of 2.52% (FY24), 6.44% (FY25), 9.12% (9M-FY26), and RoCE margins of 27.51%, 73.66%, 46.48%, respectively, for referred periods.

Dividend Policy

The company has not paid any dividend 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 Bhatia Communications, Fonebox Retail, Umiya Mobile, as its listed peers. They are currently trading at a P/E of 20.9, 11.5, and 7.74 (as of June 25, 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 2nd mandate from Comfort Securities in the last three fiscals (including the ongoing one). The only listing took place was opened with a premium of 10.14% on the date of listing, but currently trades at hefty discount.

Conclusion / Investment Strategy

VML is engaged retail segment for multibrand mobiles, tablets and related accessories under one roof. It is operating from its 35 COCO stores across Gujarat, and Rajasthan. It reported spectacular performances from FY24 onwards, that really surprises. Based on its super financial data, the issue appears aggressively priced. It is operating in a highly competitive and fragmented segment. Small equity base post-IPO indicates longer gestation for migration. There is no harm in skipping this pricey bet.

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.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

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