

IPO Note

Umiya Mobile Limited

Recommendation: **AVOID**

Business - Umiya Mobile Limited is engaged in the trading and distribution of mobile phones, accessories and related electronics. The company operates through a network of retail and wholesale channels, catering to both end-users and resellers. It sources products from multiple brands, focusing on affordability and availability.

Objects of the Issue –

Particulars	Amount
Repayment of Working Capital Loan	Rs. 1,900.00 Lakhs
General Corporate Purposes	Rs. 227.20 Lakhs

Promoters Name –

Mr. Jadwani Kishorbhai Premjibhai, Mr. Jadvani Girishkumar Premjibhai and Mr. Vijesh Premjibhai Patel

Promoter Share Holding Pattern	
Pre Issue 100.00%	Post Issue 73.49%

Rationale for recommendation –

- The company has been dealing in a highly competitive and fragmented market. Although the company has 219 stores in India, the product profile of the company has very thin margins of just over 1% in FY 25.
- The revenue has increased over the years but the company has negative cash flow from operations highlighting non-conversion of sales into cash and inefficient management of working capital.
- The revenue of the company is also concentrated both product and geography wise where more than 90% of the revenue is being generated from Mobile phones in Gujarat.
- The objective of the company is also entirely towards repayment of working capital loan, which would increase the better usage of internal accruals, but with the history of working capital management, the objective is highly a risky affair.
- Overall, there would be better opportunities to invest in and one should **AVOID** applying in this IPO.

IPO Details

Opening Date	Jul 28, 2025
Closing Date	Jul 30, 2025
Allotment Date	Jul 31, 2025
Listing Date	Aug 04, 2025
Stock Exchange	BSE SME
Lot Size	2,000 Shares
Issue Price Per Share	₹66
Issue Size	₹24.88 Cr.
Fresh Issue	₹24.88 Cr.
Offer for Sale	-
Application Amt	₹ 2,64,000 (4,000 shares)

KPIs (In Lakhs)

KPI's	FY 23	FY 24	FY 25
Revenue	33,330.66	45,148.40	60,116.87
EBITDA	183.99	575.57	1,094.06
Net Profit	18.23	234.96	566.23
RoCE	8.26%	20.35%	22.78%
ROE	3.06%	28.25%	40.51%
P/E	388.24	29.33	12.18

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	5.42	3.98
BVPS	13.38	9.83
P/E	12.18	16.57
P/BV	4.93	6.71
Mkt Cap (In Cr)	68.987	93.85

*Annualized

Lead Managers –

Smart Horizon Capital Advisors Private Limited

Registrar –

Bigshare Services Private Limited

Industry Overview -

India is one of the largest smartphone markets globally, primarily driven by a young population, increasing digital penetration, and affordable internet. The mobile phone retail industry forms an essential part of the Indian electronics retail ecosystem, providing last-mile access to both urban and rural consumers. The industry includes distribution, retailing, and after-sales services of mobile handsets and accessories across a vast multi-brand and multi-channel landscape.

Market Size - India's mobile phone market witnessed a shipment of 152 million units in 2022, declining 9% YoY, as per IDC. However, it remains the second-largest smartphone market globally after China. By 2026, the Indian smartphone market is projected to reach US\$ 281 billion, with strong rural demand and growing online penetration. The feature phone segment still accounts for a significant portion, especially in rural regions, providing scope for conversion into smartphones. India's organised retail penetration for mobile phones remains low, offering significant headroom for expansion.

Government Initiatives - India's Production Linked Incentive (PLI) Scheme for large-scale electronics manufacturing and IT hardware has incentivised global and domestic brands to boost local manufacturing. In addition, the government's Digital India initiative, Smart Cities Mission, and rural connectivity expansion have created an enabling ecosystem for increased mobile adoption. FDI up to 100% under the automatic route in single-brand retail has also attracted investments into mobile retail chains.

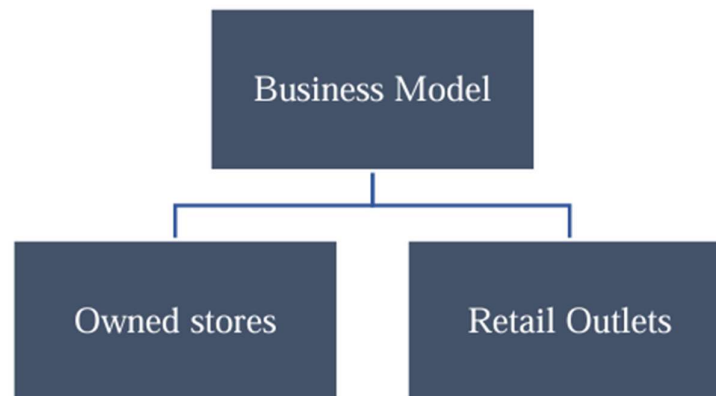
Outlook - The Indian mobile handset distribution and retail industry is set for robust growth led by rising smartphone penetration, greater adoption of digital payments, and rural electrification. Organised retail players like Umiya Mobiles are expected to benefit from strong brand tie-ups, expanded store networks, and increasing preference for trusted multi-brand outlets. The sector is also expected to undergo consolidation, with larger players improving margins via economies of scale, backend digitization, and financing partnerships.

(source : RHP)

Business Overview -

Umiya Mobile Limited, incorporated in 2012, operates in the multi-brand retail segment with a focus on the sale of smartphones, mobile accessories, and consumer durable electronic products. Over the years, the company has established itself as a trusted retail brand, offering an extensive portfolio of products from leading global manufacturers. The product lineup includes the latest smartphones from brands such as Apple, Samsung, Realme, Xiaomi, Oppo, Vivo, Motorola, Google Pixel, and Infinix. In addition to mobile devices, the company retails consumer electronics including Smart TVs, Air Conditioners, Refrigerators, Coolers, and other appliances from renowned brands like Sony, LG, Panasonic, and Godrej.

As of the date of the Prospectus, the company operates a total of 149 stores in Gujarat, 69 stores in Maharashtra, and additional outlets in the Union Territory of Dadra and Nagar Haveli and Daman and Diu, ensuring strong geographic coverage and market reach. The retail operations are carried out through multiple business models tailored to serve a diverse customer base efficiently.



- Company's product profile can be mainly attributed to Smartphones (Mobile Phones), Mobile accessories and Consumer Electronics.
- More than 90% of the sales can be contributed to Mobile Phones alone.
- Company generates revenue from owned stores and retail stores. The revenue from owned stores has come down from 78.46% in FY23 to 55.63% in FY25.
- Company had a total of 127 employees as on March 31, 2025.

Business Strategies -

- Focus on increasing same store sales and expanding retail presence
- Expanding product portfolio to capture customer demand
- Strengthening our brand recall and customer engagement
- Enhancing supply chain and inventory management systems
- Leveraging technology to improve operational efficiency

FINANCIAL SNAPSHOT

Particulars	FY 23	FY 24	FY 25
P&L Statement			
Total Income	33,354.45	45,158.43	60,127.53
Total Expenses	33,328.82	44,843.28	59,362.49
EBITDA	183.99	575.57	1,094.06
EBIT	141.42	515.88	1,022.26
PBT	25.63	315.15	765.04
Tax Expenses	7.40	80.19	198.81
Net Profit	18.23	234.96	566.23
Balance Sheet			
Total Equity	596.72	831.67	1,397.90
Assets			
Non-Current Assets	374.62	427.74	500.75
Current Assets	4,965.83	6,246.68	10,022.60
Total Assets	5,340.45	6,674.42	10,523.35
Liabilities			
Non-Current Liabilities	1,114.73	1,703.43	3,088.96
Current Liabilities	3,629.00	4,139.34	6,036.49
Total Liabilities	4,743.73	5,842.77	9,125.45
Cash Flow Statement			
CFO	-438.06	-656.91	-1,531.55
CFI	392.38	540.69	1,325.71
CFF	170.62	110.98	344.71

Particulars	FY 23	FY 24	FY 25
Per Share Data			
Diluted EPS	0.17	2.25	5.42
BV per share*	108.49	151.21	13.38
Operating Ratios			
EBITDA Margins	0.55%	1.27%	1.82%
PAT Margins	0.05%	0.52%	0.94%
Inventory days	34.16	33.86	40.95
Debtor days	5.17	1.61	1.40
Creditor days	23.60	18.62	17.42
Return Ratios			
RoCE	8.26%	20.35%	22.78%
RoE	3.06%	28.25%	40.51%
Valuation Ratios (x)			
EV/EBITDA	9.97	4.16	3.14
Market Cap / Sales	0.01	0.008	0.11
P/E	388.24	29.33	12.18
Price to Book Value	0.61	0.44	4.93
Solvency Ratios			
Debt / Equity	2.39	2.10	1.69
Current Ratio	1.37	1.51	1.66
Quick Ratio	0.51	0.50	0.55
Asset Turnover	6.24	6.76	5.71
Interest Coverage Ratio	1.01	2.45	3.82

Financial Analysis –

- **Revenue from Operations** - The company's revenue from operations has increased at a CAGR of 34.30% from FY23 to FY25.
- **EBITDA and PAT Margins** - The company's EBITDA margin has improved from 0.55% in FY23 to 1.82% in FY25 and PAT margin from 0.05% to 0.94% over the same period.
- **RoCE and RoE** - The company has also improved RoCE and RoE from 8.26% to 22.78% and 3.06% to 40.51% respectively, indicating effective utilisation of capital.
- **Operating cashflow** - The company has maintained negative operating cashflow in FY23, FY24 and FY25, highlighting inefficiency in working capital management.
- **D/E ratio** - The company has maintained low D/E ratio and interest coverage ratio has been improving over years.

Outlook – The revenue and margins are improving but the margins are very thin and cash flow from operations have been negative over the three-year periods.

Lead Manager –

The lead manager of the issue is Smart Horizon Capital Advisors Private Limited. The lead manager has managed 17 IPOs in last 3 years, and out of the last 10 listings 3 opened at par and rest at premium.

Risk Factors -

- Opening and closing stores is a regular part of Company's business and depends mainly on how much revenue each store generates.
- The company has high volume and low margin business.
- More than 90% of the company's revenue is derived from the state of Gujarat.
- Company had experienced negative cash flow from operations for each of the three reported periods.
- The company has contingent liabilities amounting to Rs. 43.08 Lakhs.
- The company operates in a highly competitive industry, exposing it to pricing risks.

Key Management

- Mr. Jadwani Kishorbhai Premjibhai is the Chairman and Managing Director of the company. He has more than 12 years of experience in business of trading in Electronic goods and Mobiles related accessories. There is an evidence of dual chairmanship in the company.
- Mr. Jadwani Girishkumar Premjibhai and Mr. Vijesh Premjibhai Patel are the Whole-time Directors of the company, each of them bringing more than 12 years of experience in the business of trading in electronics goods and mobiles related accessories.
- The Non-Executive and Independent Directors have moderate experience in their respective fields.
- The Chief Financial Officer of the company possesses over 8 years of professional experience in finance and accounts.
- The Company Secretary and Compliance Officer has more than 2 years of experience.

Outlook – The overall management of the company is moderate with some key managerial personnel having limited experience.

Peer Analysis

Particulars	Umiya Mobile Limited			Bhatia Communications & Retail (India) Limited			Jay Jalaram Technologies Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	0.05%	0.52%	0.94%	2.46%	2.78%	3.11%	-	0.75%	0.93%
EBITDA Margin	0.55%	1.27%	1.82%	4.30%	4.44%	4.92%	-	2.41%	2.07%
RoCE	8.26%	20.35%	22.78%	21.29%	20.62%	18.29%	-	17.01%	17.88%
ROE	3.06%	28.25%	40.51%	15.56%	17.45%	15.60%	-	14.82%	9.18%
EPS (INR)	0.17	2.25	5.42	0.68	0.92	1.10	-	0.05	-1.24
P/E	388.24	29.33	12.18	25.03	22.62	22.06	-	6318.00	-152.42

Particulars	Umiya Mobile Limited			Fonebox Retail Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	0.05%	0.52%	0.94%	0.82%	1.15%	1.32%
EBITDA Margin	0.55%	1.27%	1.82%	3.13%	3.25%	2.16%
RoCE	8.26%	20.35%	22.78%	38.86%	18.48%	18.94%
ROE	3.06%	28.25%	40.51%	72.73%	11.45%	13.35%
EPS (INR)	0.17	2.25	5.42	4.57	4.99	4.43
P/E	388.24	29.33	12.18	0.00	25.92	22.57

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