SS Retail Ltd.

Subscribe

BP WEALTH

IPO Note **15th September 2026**

Company Overview

SS Retail Ltd. is a multi-brand retail chain engaged in the retailing of mobile phones, accessories and other electronic products, with operations across Maharashtra, Karnataka, Madhya Pradesh, Goa and Gujarat. The company primarily focuses on mobile phone and accessory retailing in Tier II, Tier III and beyond cities, while also catering to metro, mini-metro and Tier I markets. As of March 31, 2026, the company operated 503 stores across 215 cities, including 458 stores in Maharashtra, making it the largest mobile phone retail chain in West India and Maharashtra and the third-largest in India among its peers, as per the Knowledge company Report. The company has rapidly scaled its retail network from 236 stores across 109 cities in FY24 to 503 stores across 215 cities in FY26, registering a CAGR of 45.9%, which was around 2.4x the peer average of 19.3%. Its stores covered 2,41,365 sq. ft. as of March 31, 2026, with sales per sq. ft. of Rs. 1,46,347 in FY26, the highest among peers, reflecting strong store productivity and efficient space utilization. As of July 31, 2026, the network had further expanded to 536 stores covering 2,60,597 sq. ft. The company operates primarily under its proprietary brand 'SS Mobile', its flagship brand offering mobile phones, accessories and electronic products through Large, Medium and Small Format Stores; 'Mobile Exchange Wala', launched in FY23 for retailing pre-owned smartphones through a shop-in-shop format; and 'The Mobile Space', also launched in FY23 to strengthen brand visibility and customer acquisition in Tier II, Tier III and beyond cities through Medium and Small Format Stores. In FY26, the company acquired a 51.0% stake in Olineo Nexus India Private Limited, which operates in a similar business and became a subsidiary effective January 27, 2026, adding 34 stores in Maharashtra. In addition, the company operates five exclusive brand outlets or 'smartphone cafes' in Maharashtra, located across Kolhapur, Pune and Sangli.

Objects of the issue

The IPO consists of a fresh issue of Rs. 360 crores and an offer for sale of 140 crores.

The company proposes to utilize the proceeds from the issue towards the following objects:

⇒ Funding capital expenditure for Fit Outs towards setting up of new stores in FY27 and FY28;

⇒ Part funding of the incremental working capital requirements of the company; and

⇒ General corporate purposes.

Investment Rationale

Asset-light franchise models with strong local partner advantage

The company's differentiated Company-Owned, Franchisee-Operated (COFO) and Franchisee-Owned, Franchisee-Operated (FOFO) models have enabled rapid store expansion while keeping the business relatively asset-light. As of March 31, 2026, COFO and FOFO stores accounted for 62.8% and 20.5% of the total store network, respectively. Revenue from operations under the COFO model grew at a 32.0% CAGR between FY24 and FY26, while the FOFO model delivered a significantly higher 110.5% CAGR, albeit on a smaller base. Under COFO, the company leases the store and the franchisee operates it, with the company bearing the operating costs, while under FOFO, the franchisee both leases and operates the store and bears the associated operating expenses. In both models, inventory ownership remains with the company, while franchisees contribute partially towards store set-up costs. The relatively asset-light nature of these models has supported faster network expansion, with the company adding 127 COFO stores and 84 FOFO stores between FY24 and FY26. A key differentiator is the company's Local Partners Approach, wherein franchisees are selected based on their local presence, retail experience and dependence on store performance for their income. This enables franchisees to leverage their understanding of local customer preferences, language and market dynamics, particularly in Tier II, Tier III and beyond cities. The resulting local customer connect supports faster customer acquisition while reducing customer acquisition costs and strengthening the company's regional presence. Further, the structured onboarding and training programme, 'SS Gurukul', comprising classroom and on-field training, along with standard operating procedures, helps ensure consistency in customer service, workflows, marketing practices and compliance across stores. Overall, the combination of asset-light expansion, local market expertise and performance-linked franchisee incentives provides the company with a scalable model to expand its footprint while maintaining operational efficiency.

Issue Details	
Offer Period	16th Sept. 2026 - 18th Sept. 2026
Price Band	Rs. 403 to Rs. 424
Bid Lot	35
Listing	BSE & NSE
Issue Size (no. of shares in Crores)	1.2
Issue Size (Rs. in Crores)	500
Face Value (Rs.)	10

Issue Structure	
QIB	50%
NIB	15%
Retail	35%

BRLM	Anand Rathi Advisors Ltd., Emkay Global Financial Services Ltd.
Registrar	Kfin Technologies Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	75.7%	64.9%
Public	24.3%	35.1%
Total	**100.0%**	**100.0%**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Strong Tier II/III Presence Supported by Data-Driven Store Expansion

The company's established track record and deep understanding of diverse regional markets, particularly Tier II, Tier III and beyond cities, provide a strong foundation for sustained growth. As of FY26, 17.9% of its stores were located in Tier II cities and 51.7% in Tier III and beyond cities, positioning the company to benefit from rising smartphone penetration, increasing financing availability, 4G/5G adoption and premiumization in these markets. The company has also capitalized on the growing demand from first-time upgraders and customers trading up to entry-premium and mid-premium 5G smartphones, which has supported the growth of its Mobile Exchange Wala brand. Revenue from operations from Tier II and Tier III and beyond cities grew at CAGR of 37.2% and 35.5%, respectively, between FY24 and FY26. The company follows a cluster-based and data-driven store expansion strategy, wherein it first evaluates population density, market potential, consumer demographics, competitive intensity, footfall, accessibility, rental economics and estimated store-level profitability before entering a region. By establishing multiple stores within identified clusters, the company is able to build stronger local brand recall, achieve scale benefits, improve customer retention and reduce customer acquisition costs. Its structured approval process, supported by regional, legal and management reviews, also helps optimize store selection and minimize the risk of underperforming locations. This disciplined approach is reflected in the relatively low number of store closures, with only 27, 12 and 5 stores closed in FY26, FY25 and FY24, respectively, representing an average closure rate of just 3.7% of closing store counts during FY24-FY26. The combination of regional expertise, concentrated market expansion and disciplined site selection positions the company well to capture the continued growth opportunity in India's Tier II and Tier III and beyond smartphone markets.

Valuation

SS Retail Ltd. is an organized multi-brand retailer of smartphones, accessories, and consumer electronics, maintaining a dominant market footprint in West India while steadily broadening its geographical reach across neighboring states. The company operates a differentiated multi-brand retail architecture comprising its flagship SS Mobile outlets, its value-tier brand The Mobile Space aimed at regional consumer penetration, and Mobile Exchange Wala, a dedicated shop-in-shop concept facilitating the exchange, purchase, and sale of pre-owned smartphones. Its business expansion is anchored primarily on a scalable, asset-light distribution strategy driven by franchisee-operated models that minimize direct corporate real-estate overheads while leveraging local entrepreneurship to drive store-level performance. The Indian consumer electronics and smartphone retail market continues to benefit from structural multi-year tailwinds, underpinned by rising disposable incomes, premiumization trends, shortened device replacement cycles, and expanding consumer financing availability across Tier II and Tier III+ markets. Furthermore, the organized pre-owned smartphone and mobile accessories segments are witnessing rapid growth, driven by aspirational upgrades and demand for standardized, certified devices outside metropolitan areas. From a financial perspective, the company operates a high-velocity, inventory-turnover-driven model delivering solid earnings compounding. Revenue from operations expanded from Rs. 1,206.7 crores in FY24 to Rs. 1,597.9 crores in FY25, reaching Rs. 2,351.0 crores in FY26 (a two-year CAGR of 39.58%), backed by aggressive store expansion and an 11.1% same-store sales growth trajectory. Over the same period, gross profit grew from Rs. 128.8 crores (10.7% margin) to Rs. 286.36 crore (12.1% margin), while Operating EBITDA increased from Rs. 56.50 crores (4.68% margin) to Rs. 125.1 crores (5.3% margin), driven by higher-margin accessories and pre-owned handset sales. Restated PAT advanced from Rs. 26.7 crores (2.2% margin) in FY24 to Rs. 59.2 crores (2.5% margin) in FY26. Net working capital cycle was maintained at 46 days in FY26 (inventory at 55 days, receivables at 3 days), with operating cash flows improving from negative Rs. 4.9 crores in FY24 to positive Rs. 32.5 crores in FY26. Outstanding debt stood at Rs. 275.2 crores as of July 31, 2026, with a debt-to-equity ratio of 0.7x as of March 31, 2026. **On the valuation front, based on FY26 diluted EPS of Rs. 9.1, the company commands a P/E multiple of approximately 46.5x at the upper end of the price band. Given its market leadership in core regional clusters, scalable capital-efficient franchisee model, and high return profile with an ROE exceeding 30%, SS Retail offers a compelling compounding narrative in India's organized electronics retail landscape. While high geographic concentration in Maharashtra, supplier reliance, and working capital intensity remain key monitorables, the medium-to-long term outlook stays positive, justifying its premium valuation relative to select regional retail peers. We, thus, recommend a "SUBSCRIBE" rating for this issue.**

SS Retail Ltd.

Key Risks:

⇒ The company derives a significant 86.2% of its FY26 revenue from mobile phone retailing, compared with 87.6% in FY25 and 88.3% in FY24. Any slowdown in the mobile phone industry, weak consumer spending or adverse economic conditions could reduce product demand and negatively impact the company's revenue, profitability and operating performance.

⇒ The company has significant dependence on its top 10 suppliers, which accounted for 79.1%, 89.4% and 88.4% of purchases of traded goods in FY26, FY25 and FY24, respectively. Any disruption, delay or failure in supply from these key suppliers could affect product availability and adversely impact the company's sales, reputation, cash flows, financial condition and operating performance.

⇒ The company has significant dependence on Maharashtra, with 458 stores accounting for 91.05% of its total store network as of March 31, 2026. Maharashtra contributed 89.1%, 92.3% and 94.1% of revenue from operations in FY26, FY25 and FY24, respectively. Any adverse changes in the political, social or economic environment in Maharashtra could therefore materially impact the Company's revenue, profitability, cash flows and financial condition.

SS Retail Ltd.

Income Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Revenue			
Revenue from operations	1,207	1,598	2,351
Total Revenue	**1,207**	**1,598**	**2,351**
Expenses			
Purchase of traded goods	1,129	1,474	2,174
Change in inventories of traded goods	-51	-70	-109
Employee benefit expenses	19	25	41
Other Expense	53	88	120
Total Operating Expenses	**1,150**	**1,517**	**2,226**
EBITDA	**57**	**80**	**125**
Depreciation	13	17	29
EBIT	**44**	**64**	**96**
Other Income	1	2	2
Finance Cost	10	13	16
PBT	**35**	**53**	**81**
Tax Expenses	9	13	22
PAT	**27**	**40**	**59**
Diluted EPS	**4.1**	**6.1**	**9.1**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	-5	1	33
Cash flow from/(used in) investing activities	-14	-11	-31
Net cash flows (used in) / from financing activities	40	7	2
Net increase/(decrease) in cash and cash equivalents	**22**	**-2**	**4**
Cash and cash equivalents at the beginning of the period	**5**	**27**	**24**
Cash and cash equivalents at the end of the period*	**27**	**24**	**28**

Source: RHP, BP Equities Research

SS Retail Ltd.

Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26
ASSETS			
Non Current Assets			
Property Plant and Equipment	24	35	47
Capital work in progress	0	0	1
Right of use assets	32	57	76
Investment properties	6	3	3
Goodwill	0	0	12
Other Intangible assets	0	0	7
Financial Assets	7	12	25
Deferred Tax Assets (net)	1	2	2
Other non- current assets	2	0	1
Non Current Tax Assets (net)	0	0	0
Total Non Current Assets	**73**	**111**	**174**
Current Assets			
Inventories	140	210	322
Trade Receivables	6	23	12
Cash and Cash Equivalents	27	24	28
Bank Balance	6	7	2
Other current financial assets	10	2	15
Other Current Assets	16	12	23
Total Current Assets	**205**	**279**	**402**
Total Assets	**278**	**389**	**575**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	13	66
Other Equity	89	143	160
Non Controlling Interest	0	0	6
Total Equity	**102**	**156**	**231**
Non Current Liabilities			
Non Current Borrowings	0	0	2
Lease Liabilities	23	48	64
Other Non current financial liabilities	25	35	44
Non current provisions	1	0	0
Total Non Current Liabilities	**49**	**83**	**110**
Current Liabilities			
Current Borrowings	110	125	161
Lease Liabilities	9	10	13
Trade Payables	3	6	44
Other current Financial Liabilities	5	8	11
Other current liabilities	1	1	2
Current Provisions	0	0	1
Current Tax Liabilities	0	0	2
Total Current Liabilities	**128**	**150**	**234**
Total Equity and Liabilities	**278**	**389**	**575**

Source: RHP, BP Equities Research

Research Desk **Tel: +91 22 61596138**

Institutional Sales Desk **Tel: +91 22 61596403/04**

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:
4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:
24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392