

March 20, 2026

Sangeetha Mobiles Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – fund-based limits	85.00	85.00	[ICRA]A- (Stable); reaffirmed
Short term – fund-based limits	35.00	35.00	[ICRA]A2+; reaffirmed
Short term – non-fund based	25.00	25.00	[ICRA]A2+; reaffirmed
Short term – fund-based/ Non fund based	20.00	20.00	[ICRA]A2+; reaffirmed
Total	165.00	165.00	

*Instrument details are provided in Annexure I

Rationale

The ratings reaffirmation on the bank lines of Sangeetha Mobiles Private Limited (SMPL) considers an expected improvement in operational and financial performance over the medium term. This is supported by its established presence in the South Indian market, healthy brand recall value and promoters' extensive experience in the mobile retail industry. SMPL's revenue grew by 6.9% on a YoY basis to Rs. 2,546.6 crore in FY2025, supported by the addition of new stores and an increase in average selling prices of handsets sold. However, its operating margins moderated by 30 bps to 4.4% in FY2025 owing to an increase in sales promotion expenses and discounts offered to its customers. In FY2025, SMPL ventured into the smart gadgets segment and currently has a presence across five smart gadget stores, which sell both mobiles and smart gadgets. In 9M FY2026, SMPL registered revenues of Rs. 1,958.6 crore and its operating margins stood at 4.8%. Additionally, SMPL has also ventured into the quick commerce delivery business in the current fiscal and is planning to increase its dark store presence. This is likely to support a healthy increase in the scale of operations and profitability over the medium term. The ratings continue to derive comfort from a healthy financial profile, as reflected by total debt/TNW of 1.2 times in FY2025. Despite the moderation witnessed in profitability in FY2025, debt coverage indicators remained healthy and are likely to improve over the medium term with an increase in profitability. ICRA notes that, effective April 1, 2025, Wham Infocomm Private Limited (WIPL), formerly a wholly owned subsidiary of SMPL, has been merged with SMPL.

The ratings, however, remain constrained by the company's low operating margin due to the retail nature of operations and intense competition from online and offline vendors, which limits its pricing flexibility. Besides, the ratings remain constrained by its high geographical concentration, with 57.3% of revenues derived from Karnataka in 9M FY2026, and high product concentration, with a focus mainly on mobile phones and accessories.

The Stable outlook on the long-term rating reflects ICRA's expectation that SMPL is likely to register modest revenue growth and an improvement in margins over the medium term. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, if any, to further increase capacity, will be funded in a manner that enables it to durably maintain its debt protection metrics commensurate with the existing ratings.

Key rating drivers and their description

Credit strengths

Established presence as one of the leading multi-brand retail mobile phone vendors in South India – SMPL commenced operations in 2008 as a mobile phone retailer and has established itself as a dominant player in the South Indian multi-brand

mobile retail market, with 806 stores as of December 2025. Operating in the market for around two decades, the company is among the largest players in India, with a strong brand presence in Karnataka, Telangana and Tamil Nadu. Strong relationships with major mobile manufacturers lend stability to its volumes in the long term. Strong relationships with major mobile manufacturers and plans to increase presence through dark store additions lend stability to its volumes over the long term.

Healthy financial profile – SMPL’s financial profile is characterised by a healthy capital structure, with total debt/TNW of 1.2 times in FY2025, supported by its strong net worth position and steady earnings. Despite some moderation seen in coverage indicators with a reduction in margins, it remains satisfactory, with an interest coverage of 3.2 times in FY2025. Further, with an expected increase in profitability over the medium term, supported by moderation in discounts and value-added service offerings, the financial profile is likely to improve further. The working capital intensity also remained low at 8.9% in FY2025.

Credit challenges

Exposed to high geographical and product concentration risks – With a high focus on mobile phones and accessories, SMPL’s product concentration risk remains high, and any weakening of demand for mobile phones will impact its operational profile. However, demand for mobile phones is unlikely to decline in the medium term. The company’s operating revenue remains concentrated in Karnataka, which accounted for around 57.3% of sales in 9M FY2026 (55.5% in FY2025), indicating high geographical concentration risk. Nevertheless, its widening presence in other states like Telangana, Tamil Nadu, and Andhra Pradesh, along with the launch of new products in its portfolio, mitigates the risk to an extent.

Moderate operating profitability due to intense competition across product categories, which limits pricing flexibility – Given the retail nature of operations, SMPL’s operating margins are expected to remain at a moderate level due to a lack of pricing flexibility amid intense competition. The operating margins of SMPL remained modest, while they marginally improved to 4.8% in 9M FY2026 compared to 4.4% in FY2025, mainly due to moderation in discounts offered during the period. The mobile retail industry is characterised by stiff competition due to its fragmented nature, with a considerable volume share enjoyed by many small unorganised players, continuous expansion undertaken by a few large regional players, and the presence of e-commerce players. However, with a strong brand presence and focused marketing initiatives, SMPL has been able to maintain a reasonable market position, leading to stable volume and earnings over the years, despite limited pricing flexibility.

Liquidity position: Adequate

SMPL’s liquidity is expected to remain adequate, supported by likely healthy cash accruals, adequate unutilised lines of credit, and cash and cash equivalents. The entity has free cash and bank balances of Rs. 35.2 crore as of March 31, 2025, and has a buffer in its working capital facilities of Rs. 99.1 crore as on January 31, 2026, against its sanctioned fund-based limit of Rs. 130 crore (excluding trade advance facility of Rs. 40 crore). The average utilisation of the sanctioned fund-based facilities stood at 26.8% over the last 12 months ending January 2026. The company is likely to incur minimal capex of around Rs. 14 crore in FY2026 and Rs. 25 crore in FY2027. SMPL has no term loan repayment obligations.

Rating sensitivities

Positive factors – ICRA could upgrade SMPL’s ratings if the Group demonstrates a healthy growth in its earnings along with an improvement in the liquidity profile on a sustained basis.

Negative factors – ICRA could downgrade the ratings of SMPL if there is a significant decline in revenues or operating profits or if any large debt-funded capex adversely impacts the liquidity position. Specific credit metrics that could lead to ratings downgrade include an interest cover of less than 3 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Retail
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SMPL. Details of the entities considered for consolidation have been enlisted in Annexure-II.

About the company

SMPL, incorporated in 2008, is a multi-brand retailer of mobile handsets in Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, and Goa. It deals with all leading mobile handset brands such as Apple, Samsung, Xiaomi, Vivo, Oppo, Realme, and OnePlus, among others, through its retail network of 806 stores (consolidated) across South India. Further, SMPL has diversified into the smart gadgets segment and currently has five gadget-cum mobile retail outlets. Mr. Subhash Chandra, the Managing Director, and his family members own the entire equity stake in SMPL.

Key financial indicators (audited)

SMPL (consolidated)	FY2024	FY2025	9M FY2026*
Operating income	2,382.5	2,546.6	1,958.6
PAT	19.7	24.9	
OPBDIT/OI	4.7%	4.4%	4.8%
PAT/OI	0.8%	1.0%	
Total outside liabilities/Tangible net worth (times)	1.8	1.7	
Total debt/OPBDIT (times)	3.3	3.0	
Interest coverage (times)	3.2	3.2	

Source: Company, ICRA Research; * provisional number; All ratios as per ICRA's calculations; Amount in Rs. crore
PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2026)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	FY2025		FY2024		FY2023		
			Mar 20, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based - Cash Credit	Long term	0.00	-	-	-	Jan 30, 2024	[ICRA]A- (Stable)	Mar 29, 2023 Dec 22, 2022	[ICRA]BBB+(Stable) [ICRA]BBB+(Stable)
Fund based limits	Long term	85.00	[ICRA]A- (Stable)	Feb 13, 2025	[ICRA]A- (Stable)	-	-	-	-
Fund based – Others (Channel Financing)	Short term	35.00	[ICRA]A2+	Feb 13, 2025	[ICRA]A2+	Jan 30, 2024	[ICRA]A2+	Mar 29, 2023 Dec 22, 2022	[ICRA]A2 [ICRA]A2
Non-Fund based	Short Term	25.00	[ICRA]A2+	Feb 13, 2025	[ICRA]A2+	-	-	-	-
Fund based/Non-Fund based - others	Short Term	20.00	[ICRA]A2+	Feb 13, 2025	[ICRA]A2+	Jan 30, 2024	[ICRA]A2+	Mar 29, 2023 Dec 22, 2022	[ICRA]A2 [ICRA]A2

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based limits	Simple
Short term – Fund based limits	Simple
Short term – Non fund based limits	Simple
Short term – Fund based/Non fund based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund based limits	NA	NA	NA	85.00	[ICRA]A- (Stable)
NA	Fund based – Others (Channel Financing)	NA	NA	NA	35.00	[ICRA]A2+
NA	Non-Fund based	NA	NA	NA	25.00	[ICRA]A2+
NA	Fund based/ Non-Fund based - others	NA	NA	NA	20.00	[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	SMPL ownership	Consolidation approach
Wham Infocomm Private Limited*	100.00%	Full consolidation
Anu Distributors India Private limited	99.00%	Full consolidation

Source: SMPL *merged with SMPL with effective date of merger being April 1,2025.

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