

Rating: Neutral

Issue Offer

Fresh Issue of 851,800 shares up to INR 217.21 Mn & OFS issue of 1,002,000 shares up to INR 255.51 Mn by Promoters group taking the total issue size of 1,853,800 shares at INR 472.72 Mn.

Issue Summary

Price Band (INR)	237-255
Face Value (INR)	10
Implied Market Cap (INR mn)	7,015
Market Lot	135
Issue Opens on	Aug 19, 2025
Issue Close on	Aug 21, 2025
No. of share pre-issue	24,882,670
No. of share post issue	25,734,470
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≤30
NIB Portion	≥25
Retail Portion	≥45

Book Running Lead Managers

Fedex Securities Private Ltd

Registrar

Bigshare Services Pvt Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	97.99%	90.85%
Public & Others	2.01%	9.15%

Objects of the issue

Funding working capital requirements

Repayment/prepayment in full or in part, of certain outstanding borrowings

General corporate purposes

Patel Retail Limited, incorporated in 2007 as a private limited company and converted to a public entity in 2023, operates as a prominent supermarket chain in Maharashtra, specializing in food and grocery retail with a strong presence in the Thane and Raigad districts. Headquartered in Ambarnath, the company has expanded to 42 stores by March 31, 2025, offering over 10,000 SKUs across categories like staples, processed foods, beverages, personal care, household items, general merchandise, and apparel, including its private labels such as Indian Chaska and Patel Fresh. Patel Retail leverages a cluster-based expansion strategy, efficient IT-driven inventory management, and a robust distribution network to drive growth, while also engaging in agro commodity trading and exports.

Investment Rationale

Diversified Product Portfolio with Export Presence

Patel Retail Limited operates across multiple categories like food, non-food (FMCG), general merchandise, and apparel providing a one-stop shopping solution for consumers. The diversified mix not only strengthens revenue stability but also opens cross-selling opportunities across segments. In addition to its domestic retail business, the company also has an export footprint, supplying select products to international markets, which diversifies revenue sources and enhances brand reach. The company operates in-house manufacturing facilities for select product categories, enabling better control over quality, cost, and supply timelines. These products are marketed under its own brands, which enhances margins, strengthens customer loyalty, and differentiates its offerings from competitors.

Technology-Driven Operations

The company leverages advanced IT systems for inventory control, sales tracking, and optimal product assortment planning. These technology solutions enable real-time monitoring of stock levels, accurate demand forecasting, and efficient replenishment cycles. This not only minimises stockouts and excess inventory but also improves shelf productivity, leading to better customer satisfaction and operational profitability.

Strong Regional Presence

Patel Retail has built a deep understanding of the regional markets in which it operates, tailoring its product mix to local tastes, preferences, and buying habits. This market intimacy helps the company align its offerings with customer expectations, strengthen brand loyalty, and capture repeat business. The ability to customise merchandise for each region differentiates it from national players who often follow a standardised assortment strategy.

Efficient Supply Chain & Sourcing Capabilities

Patel Retail benefits from an established network of suppliers and an optimised logistics system, enabling it to maintain consistent product availability at competitive costs. The company's sourcing efficiency helps in negotiating favourable terms with vendors, managing lead times effectively, and keeping prices attractive for customers. This operational strength supports both profitability and competitiveness, particularly in the fast-moving retail environment.

Valuation & Outlook: Patel Retail Limited is a diversified retail player operating across food, non-food (FMCG), general merchandise, and apparel segments, supported by technology-led inventory and assortment management. In FY25, the company reported revenue of INR 15,204 million and PAT of INR 252.78 million, reflecting its ability to scale profitably while maintaining operational efficiency. With a strong regional footprint, customised product offerings, and robust supply chain capabilities, it is well-positioned to benefit from the rising penetration of organised retail and sustained consumer demand growth in India. **At the upper price band of INR 255, the issue is valued at a P/E of 25.96x, based on FY25 annualized EPS of INR 9.8, and an EV/EBITDA of 14.54x. We are recommending a "Neutral" for this issue.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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