

Patel Retail Limited

IPO Note



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Bringing Value to Your Neighborhood

Patel Retail Limited, founded in 2008, is a value-focused supermarket chain catering to tier-III cities and suburban areas across Maharashtra, primarily within Thane and Raigad districts. With 43 stores spread over approximately 1.8 lakh sq. ft., the company operates under the “Patel’s R Mart” brand. It offers a wide range of products, including groceries, FMCG, apparel, and general merchandise. Patel Retail has adopted a strategic cluster-based expansion model, focusing on deep market penetration within localized communities.

The company's revenue structure is diversified, with retail operations contributing 45% of total revenue, spanning food, FMCG, and apparel. The non-retail segment, which includes manufacturing and export operations, accounts for the remaining 55%. Patel Retail has a strong presence in the export market, reaching over 35 countries, with branded exports contributing significantly to its revenue.

Key strengths of Patel Retail include a robust logistics network featuring 18 owned trucks, a central distribution hub, and a proprietary ERP system for efficient inventory management. The company’s private label brands offer competitive pricing and quality, creating a loyal customer base.

Patel Retail’s focus on cost-effective pricing, strategic store locations, and a customer-first approach distinguishes it from its competitors in the organized retail sector. The company continues to strengthen its foothold in the value retailing segment.

Its deep understanding of local market dynamics and customer preferences has been crucial to its success in Maharashtra’s value retail sector.

Industry	Retail Industry
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Scrip Details

Listing	BSE & NSE
Open Date	August 19, 2025
Close Date	August 21, 2025
Price Band	INR 237-255
Face Value	INR 10.0
Market Lot	58 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	INR 242.76
Issue Size (Shares)	95,20,000
QIB Share (%)	≤ 30%
Non-Inst Share (%)	≥ 25%
Retail Share (%)	≥ 45%
Pre Issue sh. (cr)	2.49
Post Issue sh. (cr)	3.34
Post Issue Market Cap (INR cr)	INR 851.71

Shareholding (%)	Pre (%)	Post (%)
Promoter	97.99	70.01
Public	2.01	29.99
TOTAL	100	100

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY23	1019	43	16	4	2	5	22	23	13	52	24
FY24	814	54	23	7	3	7	28	24	16	38	19
FY25	821	58	25	7	3	8	40	19	15	34	18

Source: Ventura Research & Company update

Issue Structure and Offer Details

Patel Retail IPO is a book build issue of ₹242.76 crores. The issue is a combination of fresh issue of 0.85 crore shares aggregating to ₹217.21 crores and offer for sale of 0.10 crore shares aggregating to ₹25.55 crores.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 30.00% of the Offer
NII (HNI)	Not less than 25.00% of the Offer
Retail	Not less than 45.00% of the Offer

Number of shares based on a higher price band of INR 255

Source: Company Reports

Objects of the Issue

Objects of the Issue	Expected Amount (₹ in crores)
Repayment/prepayment, in full or part, of certain borrowings availed of by the Company.	59.00
Funding of working capital requirements of the Company. General corporate purposes.	115.00

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25
Income Statement					Per share data & Yields				
Revenue	766.2	1,018.5	814.2	820.7	Adjusted EPS (INR)	3.4	4.9	6.7	7.6
YoY Growth (%)	(6.9)	32.9	(20.1)	0.8	Adjusted Cash EPS (INR)	4.8	7.9	9.8	11.1
Raw Material Cost	650.4	860.2	658.9	661.3	Adjusted BVPS (INR)	16.7	21.5	28.3	40.3
RM Cost to Sales (%)	84.9	84.5	80.9	80.6	Adjusted CFO per share (INR)	10.2	(1.7)	7.4	8.3
Employee Cost	19.0	22.6	27.2	31.7	CFO Yield (%)	4.0	(0.7)	2.9	3.3
Employee Cost to Sales (%)	2.5	2.2	3.3	3.9	Adjusted FCF per share (INR)	7.1	(1.2)	7.4	8.7
Other Expenses	74.4	92.5	74.6	69.3	FCF Yield (%)	2.8	(0.5)	2.9	3.4
Other Exp to Sales (%)	9.7	9.1	9.2	8.4	Solvency Ratio (X)				
EBITDA	22.4	43.2	53.5	58.4	Total Debt to Equity	3.1	2.5	2.0	1.3
Margin (%)	2.9	4.2	6.6	7.1	Net Debt to Equity	2.8	2.5	1.9	1.2
YoY Growth (%)	(9.0)	92.9	23.8	9.1	Net Debt to EBITDA	7.0	4.2	3.4	2.9
Depreciation & Amortization	4.7	9.9	10.0	11.7	Return Ratios (%)				
EBIT	17.7	33.4	43.5	46.7	Return on Equity	20.4	22.8	23.9	18.8
Margin (%)	2.3	3.3	5.3	5.7	Return on Capital Employed	5.8	9.6	11.4	10.9
YoY Growth (%)	(11.6)	88.4	30.2	7.4	Return on Invested Capital	8.3	13.3	15.7	15.4
Other Income	5.7	1.3	3.5	5.3	Working Capital Ratios				
Interest	8.1	12.4	16.4	17.6	Payable Days (Nos)	15	15	21	27
Fin Charges Coverage (X)	2.2	2.7	2.7	2.6	Inventory Days (Nos)	26	27	57	64
Exceptional Item	0.0	0.0	0.0	0.0	Receivable Days (Nos)	40	37	43	55
PBT	15.3	22.2	30.6	34.3	Net Working Capital Days (Nos)	51	49	79	92
Margin (%)	2.0	2.2	3.8	4.2	Net Working Capital to Sales (%)	13.9	13.5	21.6	25.3
YoY Growth (%)	(1.7)	45.5	37.6	12.1	Valuation (X)				
Tax Expense	3.9	5.9	8.1	9.1	P/E	74.9	52.0	37.8	33.7
Tax Rate (%)	25.6	26.4	26.4	26.4	P/BV	15.3	11.9	9.0	6.3
PAT	11.4	16.4	22.5	25.3	EV/EBITDA	45.0	23.9	19.3	17.5
Margin (%)	1.5	1.6	2.8	3.1	EV/Sales	1.3	1.0	1.3	1.2
YoY Growth (%)	(1.1)	44.1	37.6	12.2	Cash Flow Statement				
Min Int/Sh of Assoc	0.0	0.0	0.0	0.0	PBT	15.3	22.2	30.6	34.3
Net Profit	11.4	16.4	22.5	25.3	Adjustments	3.2	9.0	40.9	34.3
Margin (%)	1.5	1.6	2.8	3.1	Change in Working Capital	19.5	(30.9)	(38.6)	(31.9)
YoY Growth (%)	(1.1)	44.1	37.6	12.2	Less: Tax Paid	(3.9)	(5.9)	(8.1)	(9.1)
Balance Sheet					Cash Flow from Operations	34.0	(5.6)	24.8	27.7
Share Capital	3.8	3.8	24.4	24.9	Net Capital Expenditure	(16.3)	(7.7)	(12.2)	(11.6)
Total Reserves	52.0	68.1	70.0	109.7	Change in Investments	0.1	2.8	0.6	1.1
Shareholders Fund	55.8	71.9	94.4	134.6	Cash Flow from Investing	(16.2)	(4.9)	(11.7)	(10.6)
Long Term Borrowings	36.9	35.3	26.9	20.2	Change in Borrowings	(4.2)	12.7	3.5	(5.8)
Deferred Tax Assets / Liabilities	(1.8)	(1.9)	(2.2)	(2.5)	Less: Finance Cost	(8.1)	(12.4)	(16.4)	(17.6)
Other Long Term Liabilities	0.2	0.4	1.0	1.3	Proceeds from Equity	0.0	0.0	0.0	15.0
Long Term Trade Payables	0.0	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0	0.0
Long Term Provisions	0.1	0.2	0.3	0.6	Dividend Paid	0.0	(0.4)	0.0	0.0
Total Liabilities	91.3	105.9	120.4	154.2	Cash flow from Financing	(12.3)	(0.0)	(12.8)	(8.4)
Net Block	37.6	58.6	60.2	65.0	Net Cash Flow	5.5	(10.5)	0.3	8.8
Capital Work in Progress	26.8	1.7	4.5	0.0	Forex Effect	0.0	0.0	0.0	0.0
Intangible assets under development	0.3	0.6	0.0	0.0	Opening Balance of Cash	8.3	13.8	3.3	3.6
Non Current Investments	0.0	0.0	0.0	0.0	Closing Balance of Cash	13.8	3.3	3.6	12.4
Long Term Loans & Advances	17.5	20.3	21.4	19.4					
Other Non Current Assets	0.0	0.0	0.0	0.0					
Net Current Assets	9.1	24.6	34.3	69.8					
Total Assets	91.3	105.9	120.4	154.2					

Source: Company Reports

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