



Issue Opens - August 30, 2024 to September 3, 2024

Price Band
₹370 to ₹389

Face Value

₹5 per share

Lot Size

38 Shares

Issue Size

₹834.68 Cr

Issue Type

Book Built

Important Events



Issue Size

21,456,947 shares / ₹834.68 Cr

Fresh Issue

3,804,627 shares / ₹148.00 Cr

Offer for Sale

17,652,320 shares of ₹5 / ₹686.68 Cr

Basis of Allotment

Wednesday, September 4, 2024

Initiation of Refunds

Thursday, September 5, 2024

Credit of Shares to Demat

Thursday, September 5, 2024

Style Retail IPO Listing Day

Friday, September 6, 2024

Objects of The Offer

The company proposes to utilize the Net Proceeds towards funding the following objects (collectively, referred to as the "Objects"):

1. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company and
2. General corporate purposes.



Brief profile of the Directors

Pradeep Kumar Agarwal is one of the Promoters of their Company and is currently the Chairman and Wholetime Director of their Company. He holds a bachelor's degree in law from the University of Calcutta. He has also successfully passed the examination conducted by the Institute of Cost and Works Accountants of India and is an fellow member of ICAI. He has been associated with the Company since September 30, 2017. He has experience of over 17 years in the field of operations, and sales, and, of over 21 years in the field of finance. He is currently on the board of Sri Narsingh Infrastructure Private Limited.

Rohit Kedia is one of the Promoters of the Company and is currently the Whole-time Director of the Company. He holds a bachelor's degree in commerce from the University of Calcutta. He has been associated with the Company since incorporation. He has experience of over 22 years in the field of operations and procurement within the garment industry, including in the Company. He is currently on the board of Flying Shuttle Private Limited.

Shreyans Surana is one of the Promoters of the Company and is currently the Managing Director of the Company. He is an associate member of ICAI. He has been associated with the Company since September 1, 2013. He has experience of over 13 years in the field of strategic planning. Prior to joining the Company, he was associated with Zedd Retails Private Limited and Shreyans Creation Global Private Limited (formerly known as Shreyans Creation Global Limited) and has resigned from their board with effect from April 8, 2024.

Bhagwan Prasad is one of the Promoters of the Company and is currently the Whole-time Director of the Company. He has completed his matriculation conducted by the Bihar School Examination Board, Patna and has been associated with the Company since April 8, 2017. He has experience of over 16 years in the field of operations and purchase activities, and of over 13 years in the field of finance and sales. He is currently on the board of Skylark Retails Private Limited and Medmax Multispeciality Hospital Private Limited.

About The Company.



BAAZAR STYLE RETAIL LIMITED is a value fashion retailer with a market share of 3.03% and 2.22% in organized value retail market in the states of West Bengal and Odisha, respectively. They have the largest retail footprint in Eastern India when compared to the Listed Value Retailers. Company's shareholders include investors such as Rekha Rakesh Jhunjunwala, the wife of Late Rakesh Jhunjunwala, Kewal Kiran Clothing Ltd, Manohar Lal Agarwal, promoter of Haldiram Snacks among others.

Key operation of their Business

The company operates 162 stores spread across over 1.47 million square feet located in 146 cities as on March 31, 2024. A majority of the stores are operated under the brand name '**Style Bazaar**'.

The company's stores are operated on a cluster-based expansion model in which a new store is opened and operated within the same or nearby districts in which they operate their existing stores. This approach boosts supply chain efficiency, strengthens local brand visibility, optimizes marketing, and deepens customer insights at the micro-market level.

Company's offerings are bifurcated under the apparels and general merchandise verticals. Their target customer segment is the aspiring middle class comprising of households with an average annual income of less than 5,000 USD. They are a one-stop shop catering to the requirements of the entire family by providing a quality product portfolio at an affordable price.

Company's private label brands have contributed 37.93%, 31.43% and 24.72% of their total revenue from operations for the Fiscals 2024, 2023 and 2022, respectively.

Statement of Profit and Loss



Bazaar Style Retail Limited Restated Statement of Profit and Loss

(In rupees million)

Particulars	For the year ended March 31, 2024 (Consolidated)	For the year ended March 31, 2023 (Standalone)	For the year ended March 31, 2022 (Standalone)
Income			
Revenue from operations	9,728.82	7,879.03	5,511.18
Other income	99.44	64.86	100.21
Total income	9,828.26	7,943.89	5,611.39
Expenses:			
Purchase of stock-in-trade	7,628.67	5,704.21	4,545.52
Changes in Inventories	(1,160.10)	(365.35)	(787.28)
Employee benefits expense	845.21	684.92	464.03
Finance costs	494.35	413.77	353.76
Depreciation and amortisation expenses	734.54	611.86	530.46
Other expenses	993.40	840.41	605.39
Total expenses	9,536.07	7,889.82	5,711.88
Profit/ (loss) before tax	292.19	54.07	(100.49)
Tax expenses			
Current tax	103.06	32.41	-
Tax expenses of earlier year	0.02	0.02	0.05
Deferred tax charge / (credit)	(30.31)	(29.38)	(20.47)
Total tax expenses	72.77	3.05	(20.42)
Profit/(Loss) for the year from operations	219.42	51.02	(80.07)
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or (loss)			
Re-measurement gain/(loss) on defined benefit plans	(5.36)	(0.98)	0.34
Income tax relating to item above	1.35	0.25	(0.08)
Total other comprehensive income/ (loss) for the year (net of tax)	(4.01)	(0.73)	0.26
Total comprehensive income/ (loss) for the year	215.41	50.29	(79.81)
Earnings per share			
Basic earnings per share of ₹ 5 each (₹)	3.14	0.76	(1.31)
Diluted earnings per share of ₹ 5 each (₹)	3.14	0.76	(1.31)

Key Financial Highlights



Particulars	As at and for the Fiscal ended March 31, 2024	As at and for the Fiscal ended March 31, 2023	As at and for the Fiscal ended March 31, 2022
	Consolidated	Standalone	
Sales Mix (In %)			
(a) Apparel	83.89	85.69	87.05
(b) General Merchandise	16.11	14.31	12.95
Sales Per Square Feet	7,758	7,445	6,190
Same Store Sale Growth (in %)	9.54	25.73	17.04
Private label brands contribution to Revenue from operations (in %)	37.93	31.43	24.72
Revenue from Operations (in ₹ million)	9,728.82	7,879.03	5,511.18
Gross Profit (in ₹ million)	3,260.25	2,540.17	1,752.95
Gross Profit Margin (in %)	33.51	32.24	31.81
EBITDA (in ₹ million)	1,421.64	1,014.84	683.52
EBITDA Margin (in %)	14.61	12.88	12.40
PAT (in ₹ million)	219.42	51.02	(80.07)
PAT Margin (in %)	2.23	0.64	(1.43)
RoCE (in %)	18.39	13.77	6.59
RoE (in %)	10.74	3.02	(6.86)
Working Capital Days	8.89	25.69	17.96

Particulars	As at and for the Fiscal ended March 31, 2024	As at and for the Fiscal ended March 31, 2023	As at and for the Fiscal ended March 31, 2022
	Consolidated	Standalone	
Store Count	162	135	106
Rental Area of Stores (square feet in million)	1.47	1.25	1.02
Average store size (average square feet of rental area)	9,046	9,289	9,628
Number of Bills (in million)	10.04	8.22	5.75
Average Transaction Value (in ₹)	1,038.69	1,040.88	1,026.17

Strengths



- **Accelerated store expansion through a cluster-based approach:** The company grew its store count from 2 in Fiscal 2014 to 162 in Fiscal 2024, with a 55.18% CAGR. New stores are strategically chosen based on location on high street, visibility, availability of public transportation facilities, footfall, local economic factors, and threats, and the feasibility of store sites.
- **Strong understanding of customer preferences:** The Company believes that their deep knowledge of clusters has enabled them to customize their product assortment as per the local needs and respond to changing customer preferences and market demands. They offer a comprehensive, targeted and affordable product mix along with Their private label brands leading to customer loyalty.
- **High operational efficiency :** The company ensures high operational efficiency and a lean cost structure through automation, robust vendor selection, efficient supply chain management, and integrated technology systems for responsive customer service.
- **Targeted marketing and promotion activities :** Company believes that their strong knowledge of local markets has enabled them to efficiently execute their marketing strategy. They have a large database of customers, with whom They regularly engage through multiple channels. Their marketing strategy aims to increase repeat purchases from their existing customers.
- **Robust financials with consistent performance:** Company has a lean working capital cycle, hence they have managed to improve their operating efficiency. Due to their continued efforts to manage inventory and streamline supply chain system, they have managed to reduce their inventory cycle.

Threats



- **Geographical Concentration of Business:** Their stores are concentrated in the eastern parts of India and any adverse developments affecting their operations in this state could have an adverse impact on their revenue and results of operations.
- **Products Concentration:** Their business is concentrated on sale of their apparel and merchandise products and subject to the unpredictability of changing customer preferences.
- **Private label success:** If any new private labels, including under their existing products verticals, that They launch are not as successful as we anticipate, their business, results of operations and financial condition may be adversely affected.
- **Competitive Intensity:** The fashion and retail industry are highly competitive. If we do not respond to competition effectively, their cash flows, financial condition and results of operation may be adversely affected.
- **Trade Name Infringement:** The use of “Style Baazar” or similar trade names or images by third parties may result in loss of business to such third parties, and any potential negative publicity relating to such third parties may adversely affect their reputation, the goodwill of their brand and business prospects.
- **Supplier Network:** Company relies on a wide range of third party suppliers for sourcing their products with whom They do not have definitive or exclusive agreements. Failure to successfully leverage their Supplier relationships and network or to identify new suppliers and any loss arising from failure to supply or delay in supply by their Suppliers or from any defective products supplied by such Suppliers could adversely affect their business, financial condition, cash flows and results of operations.

Valuation and Outlook



Bazaar Style Retail Limited IPO is expected to be priced between ₹427 to ₹450 per share. At this price, the company shows a Price-to-Earnings (P/E) ratio of 123.88x with an FY24 EPS of ₹3.14. Whereas the ind P/E 138.88x.

Name of Company	Face Value (₹ Per Share)	P/E (₹)	EPS (₹)		NAV (₹ per share)	RONW (%)
			Basic	Diluted		
Our Company*	5	[●]=	3.14	3.14	30.43	10.32
Listed Peers**						
V-Mart Retail Limited	10	NA^	(48.93)	(48.93)	NA^	(12.98)
V2 Retail Limited	10	138.88	8.04	8.04	79.42	10.12

Bazaar Style Retail runs 162 stores across nine states, specializing in value fashion. It has a strong presence in Eastern India, especially in West Bengal and Odisha. However, the competitive retail environment brings risks like market fluctuations and operational difficulties. Additionally, 82% of the IPO proceeds will go to selling shareholders, raising concerns about the company's financial stability. Given the high valuation and the competitive retail sector, High debt, dependence on external funding, and potential market changes make it a risky investment. The company has shown growth after the pandemic with improved margins and efficient cost controls, the investment risks should not be overlooked.

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