



IPO Product Note of TCNS Clothing

(i) **TCNS Clothing Co. Private Limited** is India's leading women's branded Apparel Company in terms of a total number of exclusive brand outlets as of November 2017, according to Technopak.

(ii) They **Design, Manufacture, Market and Retail** a wide portfolio of women's branded apparel across multiple brands. They sell products through **418** exclusive brand outlets, **1,305** large format store outlets and **1,361** multi-brand outlets, located in **29 states** and two union territories in India. In addition to that they also have six exclusive brand outlets in **Nepal, Mauritius and Sri Lanka**. The company also sell the products through their own website and online retailers.

(iii) The product portfolio includes **Top-wear, Bottom-wear, Drapes, Combination -sets and Accessories** that cater to a wide variety of the wardrobe requirements of the Indian woman, including every-day wear, casual wear, work wear and occasion wear. The TOP brand in the portfolio is mentioned below:

a). **Brand "W"**: "W" is a premium fusion wear brand, which merges Indian and western sensibilities with an emphasis on distinctive design and styling. This brand is targeted primarily at the modern Indian woman's work and casual wear requirements. "W" has been recognized as the **'IMAGES Most Admired Fashion Brand of the Year'** by India Fashion Forum consecutively for past three years between **2015 to 2017**. "W" had 258 exclusive brand outlets and 676 large format store outlets located across 148 cities in India and five outlets outside India.

b). **Brand "Aurelia"**: Aurelia is a contemporary ethnic wear brand targeted at women looking for great design, fit and quality for their casual and work wear

requirements. “Aurelia” had 159 exclusive brand outlets and 629 large format store outlets located across 149 cities in India and one outlet outside India.

c) **Brand “Wishful”**. Wishful is a premium occasion wear brand, with elegant designs catering to women’s apparel requirements for evening wear and occasions such as weddings, events and festivals. The Company is leveraging their “W” store network for selling Wishful products, however, they recently launched first exclusive brand outlet for Wishful, in September 2017.

iv) Revenue from sales of products under brand “W”, “Aurelia” & “Wishfulgrew” is growing at a CAGR of **48.67%**, **70.82%** & **66.66%** respectively during FY13 to FY17 . Moreover, in FY17 the revenue from “W”, “Aurelia” & “Wishfulgrew” accounted for **61.23%**,**30.35%** & **8.41%** respectively.

Financials of TCNS Clothing IPO as per DRHP:

Particulars	For the year/period ended (in Rs. Lacs)				
	31-Sep-2017	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Total Assets	4,781.71	4,330.08	3,115.83	2,143.91	1,609.94
Total Revenue	4,274.07	7,141.87	4,883.45	3,019.26	1,702.68
Profit After Tax	579.70	891.32	490.95	262.81	87.50



Comparison with Peers:

Name of the Company	FV	Mcap(cr)	PAT(cr)	Sales(cr)	Mcap/Sales	RONW	P/E	P/B	NPM
TCNS Clothing Co. Limited	2	4660	97	849	5.49	22.74%	44	9.24	11%
Page Industries	10	31743	343	2573	12.34	40.95%	91	37.0	13%
Aditya Birla Fashion and Retail	10	10855	122	7214	1.50	10.78%	92	9.95	2%
Future Lifestyle Fashions	2	7785	128	4532	1.72	8.24%	60	4.98	3%
Kewal Kiran Clothing Limited	10	1700	74	483	3.52	18.33%	26	4.3	15%

Note:

1. The Value of **P/E** and **P/B** are calculated by considering Share price on 11.07.2018.
2. All the parameters are calculated on the basis of Financials as on FY18.
3. The Industry PE is at 67.

MH Take:

As the segment is shifting from unorganized to organized play with GST, this company is having bright prospects ahead. Being first mover in the segment, it may catch fancy going forward. As issue appears fully priced, Investors may consider investment for long term rewards.

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