

Issue Highlights:

Issuer: TCNS Clothing Company Limited

Issue Type: 100% Book Built Issue IPO

Issue Open: Wednesday, Jul 18, 2018

Issue Close: Friday, Jul 20, 2018

Offer Details (Fresh Issue): Upto 1,57,14,038 Equity Shares

Face Value: Rs.2 per Equity Share

Price Band: Rs.714 - Rs.716 per Equity Share

Minimum Order Quantity Retail: 20 Equity Shares and in multiples thereof

Maximum Bid amount for Retail: Rs. 2 Lakhs

Listing: NSE & BSE

Issue Size and Investor Category Allocation

QIB: 50% of the issue size

NIB: 15% of the issue size

Retail Individual: 35% of the issue size

Book Running Lead Managers:

Kotak Mahindra Capital Company Limited, Citigroup Global Markets India Private Limited

Registrar:

Karvy Computershare Private Limited

Key Business Strategies:

- Expand physical retail and online presence
- Leverage marketing initiatives to increase brand recognition
- Expand and strengthen brand portfolio
- Increase the range of products under existing brands
- Improve operational efficiencies

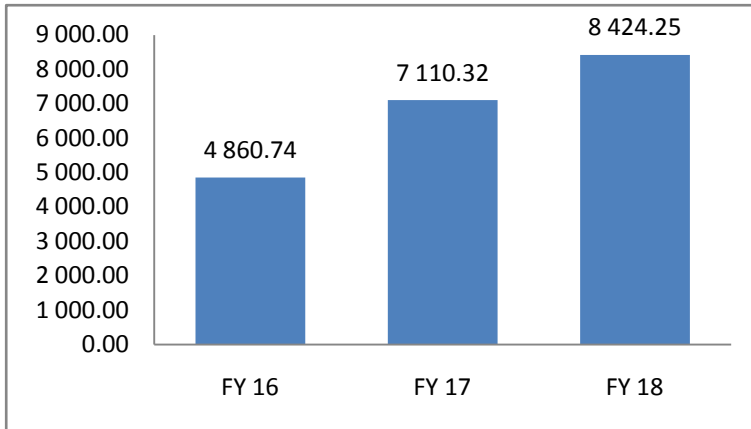
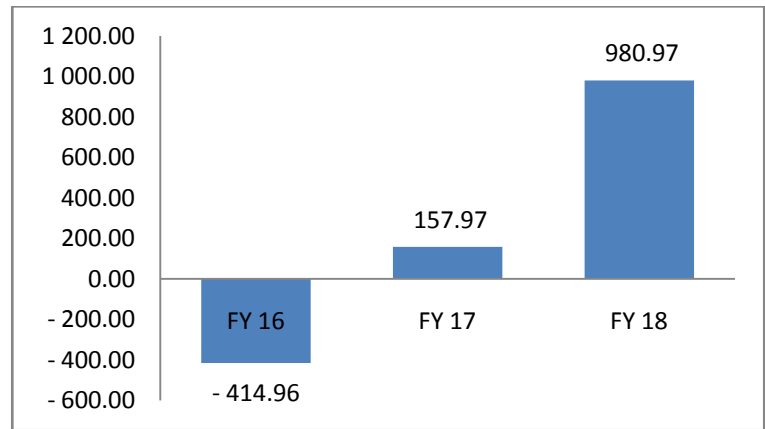
Key Strengths:

- Strongly positioned to leverage growth in the women's apparel industry in India

- Leading women's apparel company in India with a portfolio of established brands
- Innovative and institutionalized product design process
- Widespread distribution network and presence across a variety of retail channels
- Longstanding relationships with suppliers and job workers
- Capital efficient and scalable business model
- Experienced, aligned and professional management team with strong organizational culture

About the Issuer:

- Promoted by Mr. Onkar Singh Pasricha and Mr. Arvinder Singh Pasricha, each with over 40 years of experience in the apparel industry, TCNS is India's leading women's branded Apparel Company in terms of total number of exclusive brand outlets as of November 2017.
- It manufactures and markets a wide portfolio of women's branded apparel across multiple brands.
- TCNS has 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.
- Overseas presence includes six exclusive brand outlets in Nepal, Mauritius and Sri Lanka. And also sell products through its own website and online retailers.
- Its product portfolio includes top-wear, bottom-wear, drapes, combination-sets, accessories, casual wear, work wear and occasion wear.
- Their total revenue was Rs.7,141.87 million for the Fiscal 2017, and total revenue grew at a CAGR of 53.35% between Fiscals 2013 and 2017.

Revenue from Operations (Rs. Million)

Net Profit After Tax (Rs. Million)


SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
A. ASSETS			
1. Non-current assets			
(a) Plant and equipment	505.68	458.16	379.34
(b) Capital work-in-progress	24.88	8.41	2.17
(c) Intangible assets	12.89	10.60	13.57
(d) Intangible assets under development	56.30	24.57	-
(e) Financial assets			
(i) Investments	-	17.16	13.17
(ii) Other financial assets	393.06	347.44	201.21
(f) Deferred tax assets (net)	115.01	97.00	155.48
(g) Non-current tax assets (net)	94.73	126.02	-
(h) Other non-current assets	71.81	42.83	101.09
Total non-current assets	1,274.36	1,132.19	866.03
2. Current assets			
(a) Inventories	2,311.50	1,940.25	1,371.41
(b) Financial assets			
(i) Investments	20.77	-	-
(ii) Trade receivables	1,396.29	997.02	641.52
(iii) Cash and cash equivalents	366.93	19.75	27.61
(iv) Bank balances other than (iii) above	123.91	112.61	75.67
(v) Other financial assets	5.66	10.13	14.67
(c) Other current assets	264.17	46.09	90.93
Total current assets	4,489.23	3,125.85	2,221.81
Total assets	5,763.59	4,258.04	3,087.84
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	112.74	111.24	91.74
(b) Instruments entirely equity in nature	242.27	-	-
(c) Other equity	3,959.67	2,708.02	391.52
Total equity	4,314.68	2,819.26	483.26
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.18	2.66	78.18
(ii) Other financial liabilities	59.15	38.36	44.82
(b) Provisions	55.73	37.33	24.69
(c) Other non-current liabilities	4.09	5.41	3.64
Total non-current liabilities	121.15	83.76	151.33
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	0.04	83.32	278.47
(ii) Trade payables	1,144.32	1,093.28	846.08
(iii) Other financial liabilities	68.52	90.86	1,181.74
(b) Provisions	1.22	0.99	0.66
(c) Current tax liabilities (net)	-	-	95.94
(d) Other current liabilities	113.66	86.57	50.36
Total current liabilities	1,327.76	1,355.02	2,453.25
Total liabilities	1,448.91	1,438.78	2,604.58
Total equity and liabilities	5,763.59	4,258.04	3,087.84

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED
(₹ in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
1. Revenue from operations	8,424.25	7,110.32	4,860.74
2. Other income	67.32	19.41	20.61
3. Total income (1+2)	8,491.57	7,129.73	4,881.35
4. Expenses			
(a) Cost of materials consumed	2,198.54	1,803.95	1,438.00
(b) Purchase of stock-in-trade	-	6.10	5.63
(c) Changes in inventories of finished goods and work-in-progress	(351.48)	(486.30)	(405.41)
(d) Excise duty on sale of goods	39.37	100.97	6.87
(e) Employee benefits expense	1,236.14	1,534.41	1,576.20
(f) Finance costs	6.71	24.68	29.46
(g) Depreciation and amortisation expense	166.71	134.05	88.74
(h) Other expenses	3,747.30	3,388.26	2,278.24
Total expenses	7,043.29	6,506.12	5,017.73
5. Restated profit / (loss) before tax (3-4)	1,448.28	623.61	(136.38)
6. Tax expense:			
- Current tax	483.58	406.39	389.70
- Deferred tax	(16.27)	59.25	(111.12)
Total tax expense	467.31	465.64	278.58
7. Restated profit / (loss) for the year (5-6)	980.97	157.97	(414.96)
8. Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Re-measurement of the defined benefit plans	(5.04)	(2.23)	(1.68)
- Tax related to above item	1.74	0.77	0.58
Total other comprehensive income / (expense) for the year (net of tax)	(3.30)	(1.46)	(1.10)
9. Total restated comprehensive income / (expense) for the year (7+8)	977.67	156.51	(416.06)
Earnings per equity share (Face value of ₹ 2 each):			
Basic (in ₹)	16.12	2.67	(8.09)
Diluted (in ₹)	15.36	2.61	(7.90)

Source for Note: DRHP
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