



# IPO NOTE

## CREDO BRANDS MARKETING LIMITED

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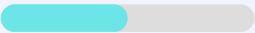
(FOR LISTING GAIN AND LONG TERM)



### ISSUE OFFER

Issue Opens on	DEC 19, 2023
Issue Close on	DEC 21, 2023
Total IPO size (cr)	549.78
Fresh issue (cr)	NIL
Offer For Sale (cr)	549.78
Price Band (INR)	266-280
Market Lot	53
Face Value (INR)	2
Retail Allocation	35%
Listing On	NSE, BSE

### ISSUE BREAK-UP (%)

QIB Portion		50%
NIB Portion		15%
Retail Portion		35%

### SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
64,301,880	64,301,880

### INDICATIVE TIMETABLE

Finalisation of Basis of Allotment	22-12-2023
Refunds/Unblocking ASBA Fund	26-12-2023
Credit of equity shares to DP A/c	26-12-2023
Trading commences	27-12-2023

Credo Brands Marketing Limited offers casual clothing for men with its flagship brand "Mufti". The company's product range consisted only of shirts, T-shirts and trousers. Today, however, the company offers a wide range of products including sweatshirts, jeans, cargos, chinos, jackets, blazers and sweaters. The company currently operates 1,773 retail outlets across India (as of May 31, 2023).

### OBJECTS OF THE ISSUE

- The IPO is full of Offer for Sale.

### OUTLOOK & VALUATION

Under the brand name "Mufti," Credo Brands Marketing (CBMPL) is in the position of marketing men's fashion apparel in the lifestyle sector. The organization is present throughout India, including tier 3 cities as well as large metropolises.

Even though the company operates in a highly competitive market, its profits have grown significantly. The company had 1807 touchpoints operating in 591 cities.

The IPO is coming with a P/E of 23.22x which looks fairly priced when compared with the industry average. Therefore, we recommend considering this IPO for listing gains as well as for long-term



## KEY MANAGERIAL PERSONNEL

01

### Kamal Khushlan

Chairman and Managing Director of the Company. He has been associated with the Company since its incorporation and has over 25 years of experience in the field of apparel retail.

02

### Poonam Khushlani

Promoter and Whole-Time Director of the Company. Poonam Khushlani has been associated with the Company since its incorporation and is a co-founder of the Company. She has over 25 years of experience in the field of apparel retail.

03

### Rasik Mittal

Chief Financial Officer of the Company. He was appointed as the first auditor of the Company on April 30, 1999. He was the statutory auditor of the Company from the year 2000 until the year 2009. He has also provided certification and advisory services until March 31, 2019.

04

### Sanjay Kumar Mutha

Company Secretary and Compliance Officer of the Company. He previously worked with Mather & Platt Pumps Ltd., Mahindra and Mahindra Limited, CMI FPE Limited and Future Lifestyle Fashions Limited. He has been associated with the Company since January 16, 2023

05

### Biswajeet Ghosa

Vice President of retail and business development of the Company. He has prior experience in working with various industries including textiles, telecom, and fashion. Prior to joining the Company, he was associated with organizations like The Arvind Mills Ltd, Levi Strauss Pvt. Ltd., Shoppers Stop Limited.



## COMPANY PROFILE

- Credo Brands Marketing (CBMPL) is engaged in the marketing of men's fashion garments in the lifestyle category under the brand name `Mufti`.
- The company's product mix has evolved significantly since its inception from consisting of only shirts, t-shirts and trousers in the year 1998 to a wide range of products including sweatshirts, jeans, cargo, chinos, jackets, blazers and sweaters in relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and also athleisure categories as on date.
- The company's reach extends from major metropolitan areas to Tier 3 cities. As of March 31, 2023, March 31, 2022, and March 31, 2021, the company is present in 582, 598 and 569 cities, respectively.
- The company currently operates 1,773 retail outlets across India (as of May 31, 2023). These include 379 exclusive brand stores (EBOs), 89 large format stores (LFSs) and 1,305 multi-brand stores (MBOs).

## COMPETITIVE STRENGTHS

- Strong brand equity with presence across categories.
- Multi-channel pan-India distribution network
- Strong in-house design competencies to deliver innovative and high-quality products with end-to-endtech-enabled supply chain capabilities.
- Scalable asset light model.
- Financially stable business model

## KEY STRATEGIES

- Expand the company's domestic store network in existing and new cities.
- Deeper penetration to grow sales through online channels by capitalizing on the increasing e-commerce demand in Indian retail.
- Focused expansion of the product portfolio to become a men's lifestyle brand.
- Leverage technology to improve supply-chain management and enhance customer experience.

## KEY CONCERNS

- Company is unable to predict customer demands and maintain optimum inventory level there may be an adverse effect on our results of operations, financial condition, and cash flows.
- The company operates in highly competitive markets in each of the product segments in both offline and online channels and an inability to compete effectively may adversely affect the business.
- Negative reviews from customers may have an adverse impact on brand reputation and ability to market products.
- Business is subject to seasonality. Lower sales and revenue may adversely affect business, financial condition, and results of operations.

## COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	EPS (Basic)	P/E	Total Income (ML)	NAV	RoNW (%)
Credo Brands Marketing Limited	12.06	-	5,093.22	43.75	29.98%
<b>Peer Group</b>					
Aditya Birla Fashion and Retail Limited	-0.38	-	1,25,343.60	35.24	-1.18%
Go Fashion (India) Limited	15.33	88.24	6,771.94	96.36	17.27%
Arvind Fashions Limited	2.77	157.08	44,735.80	68.48	4.42%
Kewal Kiran Clothing Limited	19.31	40.24	7,996.70	88.76	23.22%

## FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLIONS)	FY 2023	FY 2022	FY 2021
Equity Share Capital	32.15	31.92	31.92
Other Equity	2,781.36	2,325.34	1,891.41
Net Worth	2,813.51	2,357.26	1,923.33
Total Borrowings	67.55	100.79	134.04
Revenue from Operations	4,981.82	3,411.72	2,448.26
EBITDA	5,093.22	3,548.35	2,611.54
Profit Before Tax	1,038.12	478.33	40.08
Net Profit for the year	775.14	357.40	34.41



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