

IPO Details		Company Background					
<b>Opening Date</b>	Dec 19, 2023	<ul style="list-style-type: none"> <li>○ Credo Brands Marketing Limited was originally incorporated in the year 1999 and had its registered office in Mumbai, Maharashtra.</li> <li>○ The company offers casual clothing for men with its flagship brand "Mufti".</li> <li>○ The company product offerings range from shirts to t-shirts to jeans to chinos, which caters to all year-round clothing.</li> <li>○ The company is engaged in the retail sale of garments and accessories, and do not manufacture any apparel.</li> <li>○ As of 30<sup>th</sup> September 2023, the Company had 224 employees on its payroll and the Company also engages 1,139 personnel on a contractual basis.</li> </ul>					
<b>Closing Date</b>	Dec 21, 2023						
<b>Stock Exchange</b>	NSE, BSE						
<b>Lot Size</b>	53 Shares						
<b>Issue Price</b>	₹266 to ₹280 per share						
<b>Issue Size</b>	Aggregating up to 549.78 Cr.						
<b>Fresh Issue Offer for Sale</b>	-						
	Aggregating up to 549.78 Cr.						
<b>Application Amount (Price at Upper Band)</b>	Min. Inv. - ₹ 14,840 (53 shares) Max. Inv. - ₹ 1,92,920 (689 shares)						
IPO Objective		Market Capitalization (In Cr.)					
<ol style="list-style-type: none"> <li>1. Achieve the benefits of listing the Equity Shares on the Stock Exchanges.</li> <li>2. Carry out the Offer for Sale of up to 19,634,960 Equity Shares.</li> </ol>		Pre-Issue		Post-Issue			
		₹ 1,800		₹ 1,800			
Pre-Issue Shareholding		Financial Summary (In Cr.)					
Category	No. of Shares	% of Total Shares	For the Period Ended	Mar-21	Mar-22	Mar-23	Jun-23
Promoter & Promoter Group	4,42,52,800	68.82%	<b>Total Assets</b>	416.99	476.05	574.48	592.38
Public	2,00,49,080	31.18%	<b>Net Assets</b>	192.33	235.73	281.35	289.88
<b>Promoter of the Company</b>			<b>Total Borrowings</b>	15.23	13.46	10.08	11.30
<ol style="list-style-type: none"> <li>1. Kamal Khushlani</li> <li>2. Poonam Khushlani</li> </ol>			<b>Total Revenue</b>	261.15	354.84	509.32	119.43
<b>Competitive Strengths</b>			<b>Profit After Tax</b>	3.44	35.74	77.51	8.58
<ol style="list-style-type: none"> <li>1. Strong brand equity with presence across categories.</li> <li>2. Multi-channel pan-India distribution network.</li> <li>3. Scalable asset light model.</li> <li>4. Financially stable business model.</li> <li>5. Experienced Promoter and senior management team.</li> </ol>			Tentative Timeline				
			<b>Opening Date</b>	Dec 19, 2023			
			<b>Closing Date</b>	Dec 21, 2023			
			<b>Basis of Allotment</b>	Dec 22, 2023			
			<b>Initiation of Refunds</b>	Dec 26, 2023			
			<b>Credit of Shares to Demat</b>	Dec 26, 2023			
			<b>Listing Date</b>	Dec 27, 2023			

### Company Background and Analysis

Credo Brands Marketing Limited was originally incorporated April 29, 1999, and has vast experience in the industry. The company is engaged in the retail sale of garments and accessories. The company offers wide range of products including sweatshirts, jeans, cargos, chinos, jackets, blazers and sweaters in relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and athleisure categories as on date.

The company's products are available through a pan-India multichannel distribution network that company has built over the years comprising of exclusive brand outlets ("EBOs"), large format stores ("LFSs") and multi-brand outlets ("MBOs"). The Company had 16 distributors as on September 30, 2023, for distribution to MBOs. EBOs are located nationwide across high streets, malls, airports and residential market areas. Company also has an online presence which is rapidly growing wherein customers can shop through website, www.muftijeans.in, as well as through various e-commerce marketplaces.

The table below sets forth a break-down of revenue from operations from distribution channels for the periods indicated below:

(Amount in Cr.)

Particulars	Mar-21		Mar-22		Mar-23		Jun-23	
	Amt	(%)	Amt	(%)	Amt	(%)	Amt	(%)
EBOs	137.15	56.02	176.86	51.84	282.91	56.79	72.28	61.00
MBOs	67.585	27.61	109.98	32.24	151.59	30.43	21.20	17.89
LFSs	6.89	2.81	11.47	3.36	15.76	3.16	2.91	2.46
Online	20.11	8.21	28.03	8.22	25.45	5.11	16.52	13.94
Others	13.10	5.35	14.84	4.35	22.48	4.51	5.58	4.71
<b>Total</b>	<b>244.83</b>	<b>100.00</b>	<b>341.17</b>	<b>100.00</b>	<b>498.18</b>	<b>100.00</b>	<b>118.49</b>	<b>100.00</b>

Company's products are classified into three broad categories, being topwear, bottomwear and outerwear across a range of price points. As part of brand re-creation, company has developed a new merchandise architecture for increasing its share of the consumer's wallet by providing designs suited for specific occasions in customer's life ranging from relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and athleisure. The company have both a lifestyle as well as category approach to the business. The lifestyle aspect is managed through coherent display at stores to communicate lifestyle thought to the end consumer. The company's product portfolio can be further classified as follows:

1. Topwear - T-shirt, flat knits, sweatshirts and shirts
2. Bottomwear - Jeans, chinos, cotton pants, joggers, cargos and shorts
3. Outerwear - Jackets, sweaters and blazers

Credo Brands Marketing is a design and retail focused company and accordingly, it outsources manufacturing operations, which helps in keeping its fixed costs low. As of September 30, 2023, company was working with 48 manufacturing partners for manufacturing products.

To conclude, the business segment in which the company operates is not unique and faces a huge competition in the industry. Whereas, the company also plans to evolve brand Mufti as a men's lifestyle brand, company intends to expand its wardrobe solutions making Mufti a 360° men's lifestyle brand.

## **Business Strategies**

### **1. Expand domestic store network in existing and new cities.**

As part of growth strategy, the company intends to continue increasing its presence by setting up new EBOs and expanding EBO network in existing as well as additional regions across India. Company expects emerging demand from such cities will help fuel growth. Having established EBOs primarily in major metro, Tier 1, Tier 2 and Tier 3 cities in India, company intends to expand focus and establish additional EBOs based on existing model, across emerging Indian markets.

### **2. Enhancement of brand appeal through focused marketing initiatives.**

Through marketing campaigns, company aims to establish relation with customers, and project a brand image based on style / vision / philosophy. Mufti has been able to build a resonance with consumers through multiple marketing, advertising and customer engagement initiatives. Company intends to continue enhancing the brand recall of products through the expansion of EBOs footprint.

### **3. Deeper penetration to grow sales through online channels by capitalizing on the increasing e-commerce demand in Indian retail.**

In order to take company's brand closer to the online consumer company will continue to invest in growing its social media presence through robust content generation across Instagram, Facebook, and YouTube by an in-house team. Additionally, company constantly evaluate and engage with influencers on Instagram, both celebrity as well as micro influencers who help it improve regional brand awareness.

### **4. Focused expansion of product portfolio to become a men's lifestyle brand.**

As part of company's ongoing journey to evolve brand Mufti as a men's lifestyle brand, company intends to expand its wardrobe solutions. Company's design team is currently considering designing a line of shoes, caps and socks that will complement its existing offerings to make Mufti a 360° men's lifestyle brand.

### **5. Leverage technology to improve supply-chain management and enhance customer experience.**

The company intend to continue investing further in its IT infrastructure to improve productivity and time savings in order to increase its operating efficiency and continue to ensure efficient supply chain management.

## Competitive Scenario and Peer Mapping

### Competition

The company faces competition from various international, national, regional and niche brands and unorganized players in the men's casual western wear industry who are present in the product segments. Men's western wear industry is a highly unorganized market, and company competes with several branded and non-branded players and local retailers' brands. Company's main competitors, in the similar price brackets, are brands such as Jack & Jones, Levi's, Pepe Jeans U.S. Polo Assn. and Spykar. The industry has no barriers to entry. The bargaining power with the customers is high in the sector in which the company operates.

### Peer Analysis

The comparison of the key performance indicators of the listed peers as of Mar-21 is given below -

Particulars	Credo Brands Marketing Limited	Aditya Birla Fashion and Retail Limited	Go Fashion (India) Limited	Arvind Fashions Limited	Kewal Kiran Clothing Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	1.41%	-14.02%	1.11%	-31.17%	6.60%
EBITDA Margin	19.80%	11.11%	10.50%	0.05%	6.27%
Return on Capital Employed	9.27%	-6.52%	8.00%	-14.53%	2.73%
Return on Equity	0.90%	-27.84%	21.26%	-114.18%	4.62%
EPS (INR)	0.54	-7.93	-1.18	-51.08	3.21

The comparison of the key performance indicators of the listed peers as on Mar-22 is given below -

Particulars	Credo Brands Marketing Limited	Aditya Birla Fashion and Retail Limited	Go Fashion (India) Limited	Arvind Fashions Limited	Kewal Kiran Clothing Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	10.48%	-1.45%	8.98%	-7.76%	13.49%
EBITDA Margin	27.87%	13.99%	30.92%	6.28%	16.45%
Return on Capital Employed	20.42%	2.20%	8.33%	-2.71%	19.25%
Return on Equity	7.63%	-4.26%	8.22%	-31.60%	17.15%
EPS (INR)	5.60	-1.16	6.59	-20.19	13.25

The comparison of the key performance indicators of the listed peers as on Mar-23 is given below -

Particulars	Credo Brands Marketing Limited	Aditya Birla Fashion and Retail Limited	Go Fashion (India) Limited	Arvind Fashions Limited	Kewal Kiran Clothing Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	15.56%	-0.48%	12.48%	1.97%	15.28%
EBITDA Margin	32.89%	12.54%	32.33%	10.68%	19.51%
Return on Capital Employed	30.52%	3.40%	15.92%	13.16%	25.49%
Return on Equity	13.85%	-2.06%	15.96%	9.56%	21.76%
EPS (INR)	12.06	-0.38	15.33	2.76	19.31

**Industry Overview**

Exhibit 1: Domestic textile and apparel industry in India (US\$ billion)

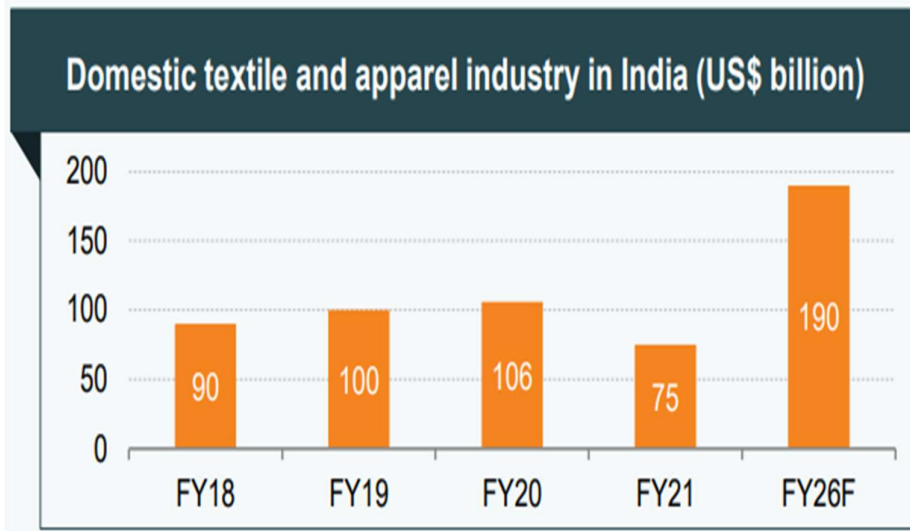
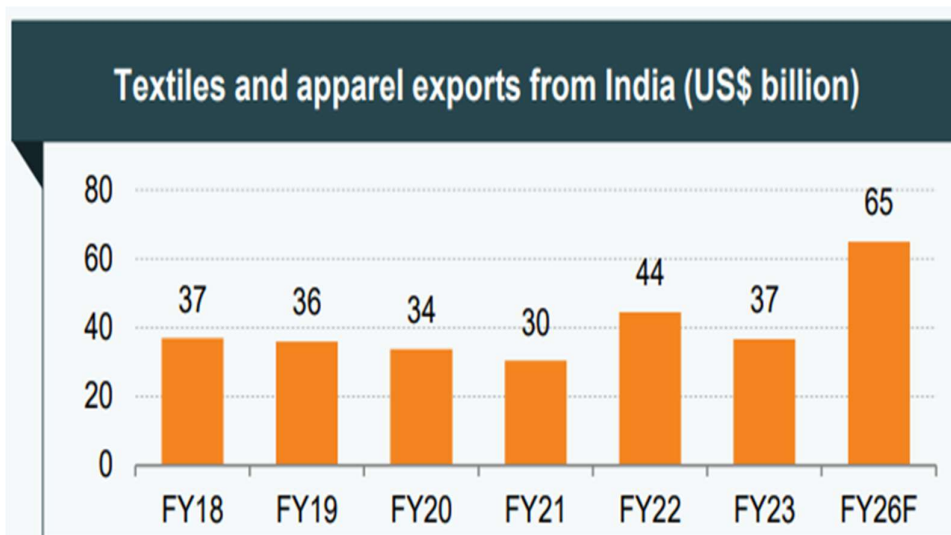


Exhibit 2: Textiles and apparel exports from India (US\$ billion)



(Source: ibef.org)

### **Textiles and Apparel Industry in India -**

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organized textile industry in India. The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.

Cotton plays a major role in sustaining the livelihood of an estimated 6 Mn cotton farmers and 40-50 Mn people engaged in related activity such as cotton processing & trade.

India's trade of technical textile products has been growing strongly and the country has been a net exporter. India's exports of technical textile products grew from \$2.21 Bn in 2020-21 to \$2.85 Bn in 2021-22, registering a growth rate of 28.4% (YoY).

- India's Textiles Exports were highest ever in FY 2021-22, crossing \$44 Bn.
- India is a largest cotton producer (23%) in the world and has the highest area under cotton cultivation (39% of world area). Cotton plays a major role in sustaining the livelihood of an estimated 6.5 Mn cotton farmers.
- India produced 90 Lakh bales of raw jute in FY 2021-22.
- The Indian textile and apparel market size is estimated around \$165 Bn in 2022, with domestic market constituting \$125 Bn and exports contributing \$40 Bn.
- The market size of the industry is projected to grow at a 10% CAGR to reach \$350 Bn by 2030.

India scaled its highest ever exports tally at \$44.4 Bn in Textiles and Apparel (T&A) including Handicrafts in FY 2021-22, indicating a substantial increase of 41% and 26% over corresponding figures in FY 2020-21 and FY 2019-20, respectively.

India's estimated cotton production is 5.84 MMT during 2022-23 i.e. 23.83% of world cotton production of 24.51 MMT. India is also the 2nd largest consumer of cotton in the world with estimated consumption of 5.29 MMT i.e. 22.24% of world cotton consumption of 23.79 MMT.

(Source: investindia.gov.in)

## Key Managerial Personnel

**Kamal Khushlani**, aged 57 years, is one of the Promoters, Chairman and Managing Director of the Company. He has completed his degree in Bachelor of Commerce from the University of Bombay. He has been associated with the Company since its incorporation and has over 25 years of experience in the field of apparel retail. Kamal Khushlani is currently involved in product development, brand building, marketing and overall management while providing strategic direction to the Company.

**Poonam Khushlani**, aged 56 years, is one of the Promoters, and Whole-Time of the Company. She does not hold any formal educational qualification. 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. Poonam Khushlani is currently responsible for the overall management of the Company.

**Dr. Manoj Nakra**, aged 67 years, is the Non-Executive Director of the Company. He has completed his undergraduate degree in mechanical engineering from the Indian Institute of Technology, Delhi followed by a post graduate diploma in management from the Indian Institute of Management, Bangalore. He has also obtained his degree of Executive Doctor of Management from Case Western Reserve University. He is a co-founder of SCIP Services and Solutions Private Limited, a SaaS platform company. He has been associated with Apparel Group, UAE as Director, Strategy. His expertise and experience include retail and distribution, entrepreneurship, and technology application. He is also a visiting faculty at IIM Bangalore. He is also an independent director in Arvind Fashions Limited.

**Amer Jaleel**, aged 57 years, is the Independent Director of the Company. He has completed his Bachelor of Commerce degree, with a specialization in financial accounting and auditing, from Smt. Mithibai Motiram Kundnani College of Commerce and Economics, University of Bombay. He joined Lowe Lintas in 2002 and has held multiple creative leadership positions including Chief Creative Officer. During his stint, he has handled assignments for multiple prominent brands. He was named as Group Chairman and Chief Creative Officer of MullenLowe Lintas Group.

**Paresh Bambolkar**, aged 59 years, is an Independent Director of the Company. He is a fellow member at the Institute of Chartered Accountants of India. He was a proprietor of M/s. P V Bambolkar & Co. Chartered Accountants, from 1993 to March 2019 and is currently also a director at Desire 4 India Private Limited.

**Ramona Jogeshwar**, aged 52 years, is an Independent Director of the Company. She has completed her master's degree in management studies from Somaiya Institute of Management Studies and Research, University of Mumbai. She was previously associated with Kangaroo Kids Education Limited. She is also a partner at M/s Konark Engineers.

To Conclude, the company has 2 promoters who have vast experience in the industry in which the company operates and in the fields which help in the growth of the business. The Remaining Directors of the company have vast knowledge and experience in their respective fields which helps in the overall growth of the company.



**Financial Snapshot**

<b>Profit and Loss Statement</b>				<b>(In Cr.)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Jun-23</b>
Revenue from Operations	244.83	341.17	498.18	118.49
Other Income	16.33	13.66	11.14	0.94
<b>Total Income</b>	<b>261.15</b>	<b>354.84</b>	<b>509.32</b>	<b>119.43</b>
<b>Expenses</b>				
Cost of raw materials consumed	15.10	15.77	27.85	4.80
Purchase of Stock-In-Trade	109.86	137.98	230.88	47.84
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	0.09	-6.69	-46.79	-0.69
Employee benefits expense	21.83	29.18	26.76	9.09
Finance Costs	16.72	15.04	17.75	5.37
Depreciation and Amortization expense	44.08	45.89	53.43	14.51
Other expenses	49.47	69.83	95.63	27.20
<b>Total Expenses</b>	<b>257.15</b>	<b>307.00</b>	<b>405.51</b>	<b>108.12</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>48.48</b>	<b>95.10</b>	<b>163.85</b>	<b>30.25</b>
<b>EBITDA Margin</b>	<b>20%</b>	<b>28%</b>	<b>33%</b>	<b>26%</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>4.01</b>	<b>47.83</b>	<b>103.81</b>	<b>11.31</b>
<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) before tax</b>	<b>4.01</b>	<b>47.83</b>	<b>103.81</b>	<b>11.31</b>
Tax Expense				
Current Tax	5.00	18.74	30.91	2.73
Short/(Excess) provision of income tax in relation to earlier years	-0.62	-0.65	-0.14	-0.45
Deferred Tax Charge/(Credit)	-3.82	-5.99	-4.47	0.45
Total Tax Expense	0.57	12.09	26.30	2.74
<b>Profit/(Loss) for the year</b>	<b>3.44</b>	<b>35.74</b>	<b>77.51</b>	<b>8.58</b>
Net Profit Margin	1%	10%	15%	7%

<b>Balance Sheet</b>				<b>(In Cr.)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Jun-23</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	38.69	40.28	61.54	65.95
Right of use asset	126.51	137.13	173.13	186.01
Capital work-in-progress	0.44	0.56	0.21	-
Investment Property	1.74	1.70	1.67	1.66
Intangible Assets	0.19	0.14	0.38	0.34
Financial Assets				
(i)Other Financial Assets	15.89	15.11	12.68	15.66
Deferred tax assets (net)	12.00	15.79	20.25	19.82
Non current tax assets	0.11	1.89	1.50	3.88
Other non current assets	8.52	11.66	15.49	15.40
<b>Total Non-Current assets</b>	<b>204.09</b>	<b>224.25</b>	<b>286.84</b>	<b>308.72</b>
<b>Current Assets</b>				
Inventories	58.61	65.74	113.40	112.26
Financial Assets				
(i)Trade Receivables	122.42	123.59	137.31	146.85



<b>Balance Sheet</b>				<b>(In Cr.)</b>
(ii)Cash and Cash Equivalents	25.25	50.65	8.14	1.47
(iii) Other Bank Balances	0.72	0.75	0.77	0.78
(iv) Other financial assets	1.12	3.49	8.03	5.17
Other current assets	4.78	7.58	19.99	17.13
<b>Total Current assets</b>	<b>212.90</b>	<b>251.80</b>	<b>287.65</b>	<b>283.65</b>
<b>Total Assets</b>	<b>416.99</b>	<b>476.05</b>	<b>574.48</b>	<b>592.38</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	3.19	3.19	3.22	12.86
Other Equity	189.14	232.53	278.14	277.02
<b>Total Equity</b>	<b>192.33</b>	<b>235.73</b>	<b>281.35</b>	<b>289.88</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings	13.40	10.08	6.76	5.92
(ii)Lease liabilities	104.60	111.11	151.24	164.90
(iii) Others	28.15	31.65	35.54	36.63
Provisions	4.23	3.54	3.82	4.07
<b>Total Non-current liabilities</b>	<b>150.38</b>	<b>156.37</b>	<b>197.35</b>	<b>211.52</b>
<b>Current liabilities</b>				
Financial Liabilities				
(i) Borrowings	1.82	3.39	3.32	5.37
(ii) Lease Liabilities	24.30	29.67	30.59	31.56
(iii) Trade Payables				
total outstanding dues of micro enterprises and small enterprises	5.73	8.51	11.83	6.25
total outstanding dues of creditors other than micro enterprises and small enterprises	28.96	28.14	30.64	20.79
(iv) Other Financial Liabilities	1.02	1.06	2.33	1.61
Provisions	2.37	1.83	2.58	2.91
Current tax liabilities (net)	2.84	-	-	-
Other current liabilities	7.23	11.36	14.48	22.49
<b>Total Current liabilities</b>	<b>74.28</b>	<b>83.95</b>	<b>95.78</b>	<b>90.98</b>
<b>Total Liabilities</b>	<b>224.66</b>	<b>240.32</b>	<b>293.13</b>	<b>302.50</b>
<b>Total Equity and Liabilities</b>	<b>416.99</b>	<b>476.05</b>	<b>574.48</b>	<b>592.38</b>

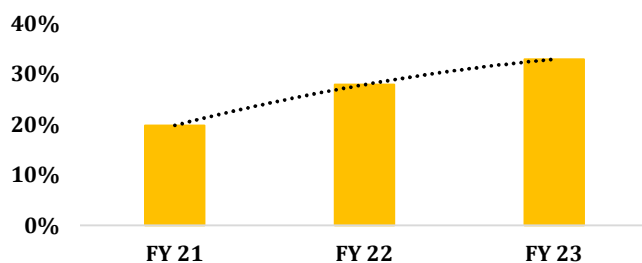
<b>Cash Flow Statement</b>				<b>(In Cr.)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Jun-23</b>
Net Cash Flow from Operating Activities	95.64	78.38	72.41	13.94
Net Cash Flow from Investing Activities	-5.91	-27.95	-19.09	-8.64
Net Cash Flow from Financing Activities	-66.09	-39.04	-81.87	-11.56

<b>Ratio Sheet</b>				
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Jun-23</b>
<b>Per Share Data</b>				
Diluted EPS	0.54	5.6	12.06	5.26
BV per share	29.91	36.66	43.75	50.52
<b>Operating Ratios</b>				
EBITDA Margins	20%	28%	33%	26%
PAT Margins	1%	10%	15%	7%
Inventory days	87.38	70.33	83.09	86.22
Debtor days	182.52	132.22	100.60	112.78
Creditor days	51.20	44.58	29.92	31.74
<b>Return Ratios</b>				
RoCE	1%	13%	23%	19%
RoE	2%	15%	28%	10%
<b>Valuation Ratios (x)</b>				
EV/EBITDA	3.76	2.09	1.73	2.75
Market Cap / Sales	7.35	5.28	3.61	3.80
P/E	518.52	50.00	23.22	53.19
Price to Book Value	9.36	7.64	6.40	5.54
<b>Solvency Ratios</b>				
Debt / Equity	0.16	0.15	0.14	0.03
Current Ratio	2.87	3.00	3.00	3.12
Quick Ratio	2.08	2.22	1.82	1.88
Asset Turnover	0.59	0.72	0.87	0.20
Interest Coverage Ratio	0.26	3.27	6.22	2.93

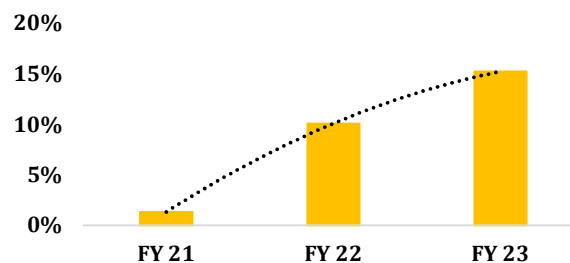
\*Annualized Figures

### Financial Charts

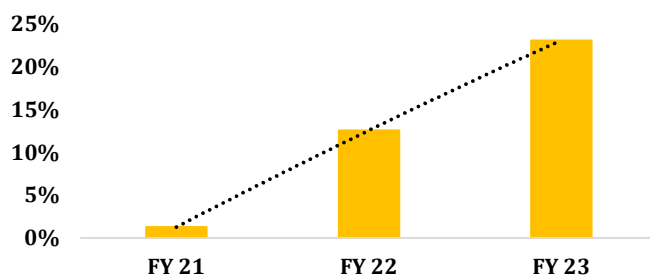
**EBITDA Margin**



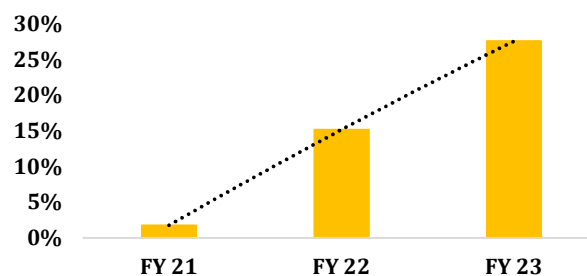
**Net Profit Margin**



**Return On Capital Employed**



**Return on Equity**



### Key Risk Factors

1. The company's Subsidiary has incurred losses in the past and may incur losses in the future, which may have an adverse effect on the business.
2. The company have contingent liabilities amounting to Rs. 2.96 Cr. which if materialize, may adversely affect the financial condition.
3. There may be outstanding litigations and regulatory proceedings by and against the Company, Subsidiary, Directors and Promoters amounting to Rs. 2.68 Cr. Any adverse outcome from such legal proceedings may impact the reputation, business, cash flows, financial condition, and results of operations.

### Track Record of Lead Manager

The lead managers to the issue are ICICI Securities Limited, Dam Capital Advisors Limited, and Keynote Financial Services Limited. A table has been set below highlighting the details of the IPO of the recent companies handled by the Lead Managers in recent times –

#### ICICI Securities Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Fedbank Financial Services Limited	1,092.26	140.00	November 30 22, 2023	140.00
2.	Gandhar Oil Refinery (India) Limited	500.69	169.00	November 30, 2023	277.00
3.	ASK Automotive Limited	834.00	282.00	November 15, 2023	278.00
4.	Protean eGov Technologies Limited	490.33	792.00	November 13, 2023	1,218.00
5.	ESAF Small Finance Bank Limited	463.00	60.00	November 10, 2023	68.05

The company has had 48 mandates in the past three years (Including the current year)

#### Dam Capital Advisors Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	ESAF Small Finance Bank Limited	463.00	60.00	November 10, 2023	68.05
1.	JSW Infrastructure Limited	2,800.00	119.00	October 03, 2023	161.00
2.	Yatra Online Limited	775.00	142.00	September 28, 2023	141.00
3.	Rishabh Instruments Limited	490.78	441.00	September 11, 2023	693.00
4.	Avalon Technologies Limited	865.00	436.00	April 18, 2023	402.00

The company has had 17 mandates in the past three years (Including the current year)

#### Keynote Financial Services Limited –

The company has not had any mandates in the recent three fiscals.

\*CMP is taken as of 20<sup>th</sup> December 2023.

As per the offer document, for all the above-mentioned mandates, Fedbank Financial Services has opened at par, and Yatra Online Limited and Avalon Technologies Limited have opened at discounts. Remaining all the mandates have opened at premiums on the listing day.

### **Recommendation**

The company has been in the industry since 1999 and thus has vast experience in the industry. The company has seen consistency in the increase of its top line and but an exponential growth bottom line of its financials which may be difficult to sustain going forward. The company faces very high competition. The management outlook of the company is satisfactory.

The P/E on a post-IPO basis is around 23.23 times which makes it fully priced by looking at the performance of the company and its peers. The sector P/E is 39.8times.

The company faces significant competition. The company has seen consistency in the increase of its top line, whereas, has exponential increase in bottom line of its financials. Company has strong in-house design competencies to deliver innovative and high-quality products with end-to-end tech-enabled supply chain capabilities and also has scalable asset light model, i.e., the company outsources all its products. Thus, at the given P/E **Risk Averse should wait Risk Seekers should apply** to this IPO.

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