

FORCAS STUDIO LIMITED

About The Company



Forcas Studio Limited is a men's fashion brand that specializes in a wide range of garments, including shirts, denim, T-shirts, trousers, cotton pants, sportswear, party wear, fashion wear, and boxers. Serving a diverse clientele across India, Forcas Studio operates through both online and wholesale channels, offering products under its own brands, "FTX", Tribe&"Conteno," as well as white labeling for well-known brands like Landmark Group, V Mart Retail, V2 Retail, and others. Since shifting to online sales in 2021, the company has expanded its reach to over 15,000 pin codes across the country, providing stylish, high-quality menswear at affordable prices. With 95% of their products priced below ₹499, Forcas Studio primarily

targets customers in Tier 2, Tier 3, and Tier 4 cities and towns.

Their products are widely available on popular e-commerce platforms such as Flipkart, Myntra, Meesho, Amazon, Ajio, JioMart, Glowroad, Limeroad, Solvd, and Shopsy, as well as in over 500 large-format retail stores, including V Mart Retail, V2 Retail, and Sarvana Retails. The company sources fabrics and garments from key manufacturing hubs like Kolkata, Surat, and Mumbai, and outsources production locally while maintaining strict quality control. This asset-light model allows them to adapt to new product categories without significant capital expenditure. Forcas Studio has earned excellent customer feedback and positive ratings on various marketplaces, driven by their mission to become the leading menswear brand for the masses in India by offering fashionable, comfortable, and affordable products. They are committed to bringing aspirational fashion to the youth of India, blending innovation, superior customer service, and quality into every garment they produce.

About the Management

1. Sailesh Agarwal- Managing Director

Sailesh Agarwal aged 40 years, one of the Promoters and Managing Director of our Company. He attended University of Calcutta to pursue a bachelor's degree in commerce. He is having more than a decade of experience in the field of garment manufacturing and trading and in fashion industry. He is the main driving force behind the Company and responsible for overall management of the Company. He has played a key role in growth and development of the Company to the present level. Presently, he oversees overall operation of the Company and has been associated with the Company since incorporation.



2. Sourav Agarwal- Whole Time Director& CFO

Sourav Agarwal, aged 39 years, is one of the Promoters, Whole-time Director and Chief Financial Officer of our Company. He attended University of Calcutta to pursue bachelor's degree in commerce. He has more than a decade of experience in the field of garments manufacturing and trading. Presently, he heads purchase and finance divisions of the Company and has been associated with the Company since incorporation.

3. Altab Uddin Kazi - Independent Director

Altav Uddin Kazi is currently an Independent Director at Forcas Studio Ltd.the Independent Director of our Company. He holds a bachelor's degree incommerce from University of Calcutta. He has attended the North Orissa University to pursue bachelor's degree in law.He is and associate member of the Institute of Company Secretaries of India and also has passed integrated professionalcompetence examination organised by the Institute of Chartered Accountants of India. In the past he was associated withSupreme & Co Private Limited in the capacity of company secretary; with Megasec Capital Advisors Private Limited inthe capacity of ROC executive; with Mookherjee Biswas & Pathak in the capacity of management trainee; and withSreekumar Bhattacharya & Associates in the capacity of article assistant. He is the erstwhile chairman of Hooghly chapterof ICSI.

4. Hitu Gambhir Mahajan - Independent Director

Hitu Gambhir Mahajan is currently an Independent Director at Forcas Studio Ltd. She attended University of Delhito pursue bachelor's degree in science (home science). She holds a post graduate diploma in advertising and marketingfrom Institute for Media Studies and Information Technology. She is having more than 16 years of experience inmarketing, sales, branding and advertising. In the past, she was associated with Annapurna Swadisht Limited, in thecapacity of an Independent Director. Currently, she is associated with Ontrack System and Support Private Limited, inthe capacity of vice president sales – north. She has been associated with the Company since February 29, 2024.

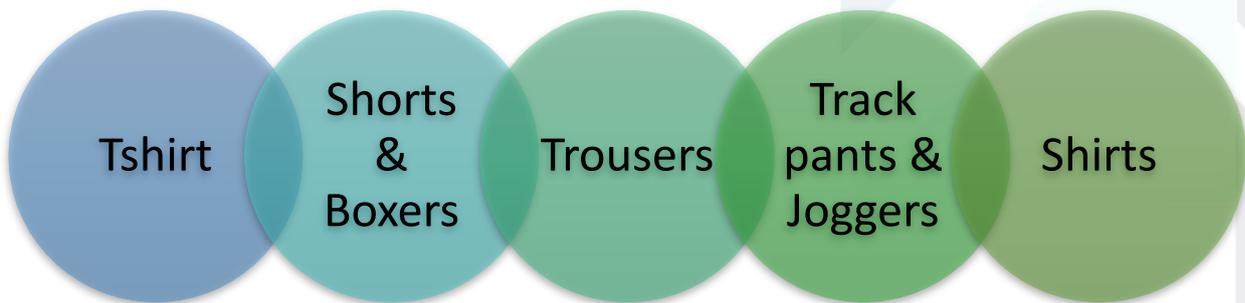
5. Amit Rathi - Independent Director

Amit Rathi is currently an Independent Director at Forcas Studio Ltd.He attended University of Calcutta to pursuebachelor's degree in commerce. He is also an associate member of the Institute of Chartered Accountants of India. In thepast, he was associated with CRISIL Limited in the capacity of senior research analyst; with Citibank in the capacity of an associate; and with DSP Merrill Lynh Limited in the capacity of an associate in global research. He is having morethan seven years of experience in field of financial analysis and crisis management. He has been associated with the Company since February 29, 2024.



Product Portfolio

Forcas Studio Limited offers a wide range of signature menswear designs, catering, to urban Bharat's youth, enhancing brand loyalty.



Production Capacity & After Sales Services

Forcas Studio Limited boasts a robust production capacity, ensuring that they can meet the high demand for their diverse range of men's garments. The company efficiently manages its supply chain by sourcing fabrics and materials from key manufacturing hubs such as Kolkata, Surat, and Mumbai. They outsource manufacturing to local partners, operating under stringent supervision to maintain quality control. This decentralized, asset-light model not only supports scalability but also allows Forcas Studio to adapt quickly to new trends and categories without significant capital investment.

In addition to their strong production capabilities, Forcas Studio places a high emphasis on after-sales services. The company is committed to ensuring customer satisfaction by providing responsive and efficient after-sales support. Whether through online platforms or retail partners, they help with product exchanges, returns, and customer inquiries. This focus on customer service, combined with their quality products, has helped Forcas Studio build a loyal customer base and maintain excellent ratings across various e-commerce marketplaces. Their dedication to after-sales service is a key part of their strategy to become a leading menswear brand in India.

Customers & Distribution Network

The company has very strong dealer and distributor network in the northern states of the country.

1. Broad customer base across India, with a focus on Tier 2, Tier 3, and Tier 4 cities and towns.
2. Targets young men seeking stylish, affordable, and high-quality garments.



3. 95% of products priced below ₹499 to ensure affordability and accessibility.
4. Extensive online presence on major e-commerce platforms: Flipkart, Myntra, Meesho, Amazon, Ajio, JioMart, Glowroad, Limeroad, Solvd, and Shopsy.
5. Reaches customers in over 15,000 pin codes across India.
6. Strong offline presence with products available in over 500 large-format retail stores, including V Mart Retail, V2 Retail, and Sarvana Retail.
7. Combines online and offline channels to maximize reach and accessibility nationwide.

Company Financials (Rs. In lakh)

Parameters	March 21	March 22	March 23	February 29, 2024
Total Revenue	5113.14	5380.44	7162.42	9648.78
EBITDA	341.84	354.57	450.15	927.59
PBT	55.55	78.44	114.55	553.31
PAT	58.38	80.71	117.19	514.75
ROE (%)	8.20%	9.71%	13.62%	27.06%
ROCE (%)	9.98%	10.09%	12.97%	18.54%

Comparison of key performance of indicators with listed industry peers (Rs. in lakhs)

KEY PERFORMANCE INDICATORS	FORCAS STUDIO LIMITED (For the period ended February 29, 2024)	ADITYA BIRLA FASHION & RETAIL LIMITED
Revenue from Operations	9607.24	1241790.00
EBITDA	927.59	161004.00
EBITDA MARGIN	9.66%	12.97%
PAT	514.75	(5703.00)
PAT MARGIN	5.36%	(0.46) %
ROE	27.06%	(1.70) %
ROCE	18.54 %	6.78 %



Industry Outlook

The men's fashion industry in India is experiencing robust growth and transformation, fueled by several key factors. Rising disposable incomes, urbanization, and shifting lifestyle preferences are driving increased demand for stylish and affordable menswear. As the middle class expands and young consumers seek trendy and high-quality clothing, the market for men's fashion continues to broaden. The surge in e-commerce is particularly significant, with online shopping becoming a dominant force due to its convenience and advancements in digital payment and logistics, allowing brands to reach a vast audience. There is also a growing brand consciousness among consumers, who are increasingly drawn to branded and quality apparel. This trend is especially evident in Tier 2, Tier 3, and Tier 4 cities, where affordable and stylish options are in high demand. Additionally, sustainability is becoming a prominent concern, with consumers leaning towards eco-friendly and ethically produced fashion. Technology is also playing a transformative role, with innovations such as virtual fitting rooms and augmented reality enhancing the shopping experience. Overall, the Indian men's fashion industry is well-positioned for continued growth, driven by evolving consumer preferences, technological advancements, and a strong distribution network. Brands that can blend style, affordability, and quality while adapting to these trends will thrive in this dynamic market.

Industry Growth and Key drivers

- ❖ Rapid expansion in the Indian men's fashion market.
- ❖ Increasing consumer spending and market demand.
- ❖ Significant growth in e-commerce and online retail channels
- ❖ Rising Disposable Incomes: Higher income levels are increasing consumer purchasing power and spending on fashion.
- ❖ Urbanization: Growing urban areas are creating a larger customer base with a preference for modern and stylish clothing.
- ❖ Shifting Lifestyle Preferences: Changing fashion trends and lifestyle preferences are driving demand for diverse and contemporary menswear
- ❖ E-commerce Growth: The rise of online shopping platforms enhances accessibility and convenience for consumers.
- ❖ Brand Consciousness: Increased awareness and preference for branded and quality apparel among consumers.



Why Forcas Studio is interesting?

Forcas Studio Limited stands out due to several compelling factors. The company offers a wide range of men's garments, from shirts and denim to sportswear and party wear, catering to diverse fashion needs. Their focus on affordability is notable, with 95% of their products priced below ₹499, making stylish and quality fashion accessible, especially in Tier 2, Tier 3, and Tier 4 cities. Forcas Studio has established an extensive distribution network, leveraging both major e-commerce platforms and over 500 large-format retail stores to ensure broad reach and accessibility.

The company's approach to local manufacturing is also impressive, sourcing fabrics from key Indian hubs and outsourcing production while maintaining strict quality control. This asset-light model allows Forcas Studio to adapt swiftly to new fashion trends and product categories. Their strong customer-centric approach, reflected in positive feedback and high ratings, underscores their commitment to quality and service. Since transitioning to online sales in 2021, the company has significantly expanded its reach, demonstrating robust growth potential. Overall, Forcas Studio's mission to provide fashionable, affordable menswear aligns well with the aspirations of a large and diverse customer base, making it a noteworthy player in the industry.

Share Holding Pattern (Pre-Issue)

Category	
Promoter and Promoter Group	82.17
Public	17.83
Shares held by Employee Trusts	-
Total	100.00

Share Holding Pattern (Post Issue)

Category	
Promoter and Promoter Group	60.30
Public	39.70
Shares held by Employee Trusts	-
Total	100.00



IPO Issue Details

- **Issue Open** : 19th August, 2024
- **Issue Closes** : 21st August, 2024
- **Issue Type** : Book Built Issue IPO
- **Issue Size** : 4,680,000 shares(aggregating up to ₹37.44 Cr)
- **Face Value** : Rs 10/ Equity Shares
- **Issue Price** : Rs.77 – Rs.80/ Equity Share
- **Market Lot** : 1600 Shares
- **Listing At** : NSE SME

Fundamental Outlook

As India's growth story has just begun this apparel brand has lot to gain & company's approach to local manufacturing is also impressive, sourcing fabrics from key Indian hubs and outsourcing production while maintaining strict quality control. With 82.17% pre-issue promoter holding & 60.30% post issue holding & more than 40% increase in ROCE YoY basis this has excellent opportunity for the medium to long term investors.

Disclaimer:

We "VG Stock Research" or our clients do not have any interest in Forcas Studio Limited either directly or indirectly in any manner whatsoever. Our view is purely based on data provided by the company & industry data available through RHP & several media's & is purely unbiased.



Vishal Gupta
(Founder & Head Research Analyst)
VG Stock Research

