

IPO Note

Marc Loire Fashion Limited

Recommendation: **NEUTRAL**

Company Background –

Marc Loire Fashion Limited is engaged in the distribution of women's footwear.

Objects of the Issue –

Particulars	Amt. in Lakhs
Funding capital expenditure for expansion of retail network by launching 15 new brand outlets.	526.88
Funding capital expenditure for purchase of multi-purpose racks.	40.08
To meet working capital requirements.	935.22
To meet issue expenses.	224.5
General corporate purposes.	373.32

Promoters Name –

Arvind Kamboj, Shaina Malhotra, & Atul Malhotra

Promoter Share Holding Pattern	
Pre Issue	Post Issue
99.99%	70.42%

Rationale for recommendation – Marc Loire Fashion Limited has shown an increase in not only top-line and bottom-line revenue figures through the years but also its operating margins. However, many line items have shown unstable growth. Reduction in employee benefit expenses due to decrease in staff and salaries raises further concerns. It has a post issue P/E of 15.15 indicating that it is fairly valued however, it is undervalued when compared to its peers. The company has had negative CFO and there is concentration from buyer and supplier side. The company's capital structure is highly underleveraged. The working capital requirement is too high as CA and CL form over 99% of TA and TL in all preceding financial years further adding to the risk profile. Thus, investors are advised to stay **NEUTRAL** for now.

IPO Details

Opening Date	Jun 30, 2025
Closing Date	Jul 02, 2025
Allotment Date	Jul 03, 2025
Listing Date	Jul 07, 2025
Stock Exchange	BSE SME
Lot Size	1,200 Shares
Issue Price Per Share	₹100
Issue Size	21.00 Cr.
Fresh Issue	21.00 Cr.
Offer for Sale	-
Application Amt	₹ 1,20,000 (1,200 shares)

KPIs (In Lakhs)			
KPI's	FY 23	FY 24	FY 25
Revenue	3,741.62	4,020.30	4,225.74
EBITDA	87.33	536.76	632.97
Net Profit	65.63	407.69	470.54
RoCE	42.91%	87.64%	58.38%
ROE	33.27%	67.39%	43.75%
P/E	76.34	12.27	10.63

Valuation Parameters		
Particulars	Pre-Issue	Post Issue
EPS	9.41	6.63
BVPS	21.51	15.15
P/E	10.63	15.09
P/BV	4.65	6.60
Mkt Cap (In Cr)	50.00	71.00

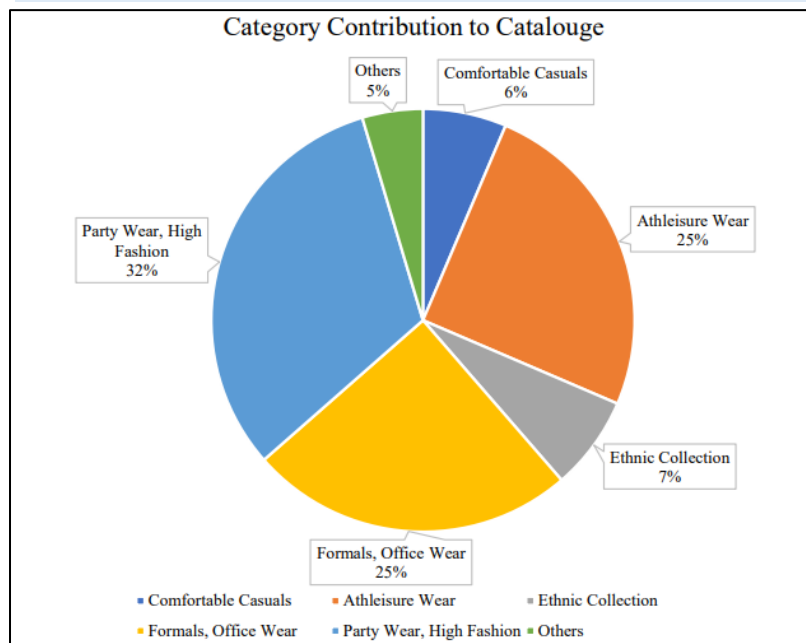
Lead Managers –

Finshore Management Services Limited

Registrar –

Maashitla Securities Private Limited

Business Overview -



The company was incorporated in 2014. It has a catalogue of over 800 unique styles that includes party heels, ethnic flats, wedges, winter boots, mules, formal heels, loafers, cork sandals, arc-supported flats, athleisure and activewear footwear, sneakers and other styles. Their brand name is 'Marc Loire'.

The company employs a D2C as well as a B2B model. It has 40 vendors from whom whole finished goods as well as raw material stocks are purchased.

Their sales channel includes e-commerce, retail, wholesale, and their own website. Majority of the sales is done through e-commerce platforms, 92.08%, 71.34%, & 60.92% in FY 23, 24 & 25.

Geographic-Wise Revenue Breakup:

(in Lakhs)

Region	FY 23	%	FY 24	%	FY 25	%
Delhi	433.94	11.60%	1,279.61	31.83%	1,559.69	36.91%
Maharashtra	594.79	15.90%	407.75	10.14%	456.33	10.80%
Karnataka	528.44	14.12%	330.87	8.23%	381.78	9.03%
Haryana	1,233.45	32.97%	625.89	15.57%	402.77	9.53%
Others*	950.98	25.42%	1376.21	34.23%	1425.18	33.73%
Total	3741.60	100.00%	4020.33	100.00%	4225.75	100.00%

Others* includes Uttar Pradesh, Telangana, Tamil Nadu, Kerala, West Bengal, Gujarat, Andhra Pradesh and 25 more.

Product-Wise Revenue Breakup:

(in Lakhs)

Category	FY 23	%	FY 24	%	FY 25	%
Party Wear, High Fashion	913.62	24.42%	1,134.48	28.22%	1,345.50	31.84%
Formals, Office Wear	865.24	23.12%	1,061.91	26.41%	1,052.04	24.90%
Athleisure Wear	1,060.19	28.34%	982.45	24.44%	1,059.12	25.06%
Comfortable Casuals	252.57	6.75%	279.38	6.95%	269.98	6.39%
Ethnic Collection	399.94	10.69%	315.87	7.86%	303.29	7.18%
Others*	250.07	6.68%	246.2	6.12%	195.82	4.63%
Total	3,741.62	100.00%	4,020.30	100.00%	4,225.74	100.00%

Others* includes apparels, masks, footwear, and raw materials.

Business Strategies -

1. Focus on quality by implementing rigorous quality standards.
2. Expand footprint by venturing into metropolitan and rural areas.
3. Strengthen brand identity through consistent branding, digital marketing, social media engagement, and influencer partnerships.
4. Innovate footwear products by incorporating ergonomic designs.
5. Increase penetration through marketing campaigns, pricing strategies, and product diversification.
6. Focus on strategic working capital management by optimizing inventory turnover, timely payments, etc.
7. Widen product portfolio from 800 to 2150 distinct styles and by launching men's footwear products.

Risk Factors -

- There are 4 tax proceedings against the directors worth ₹1.88 Lakhs.
- The company has had negative CFO worth (₹44.1) Lakhs in FY 24.
- There is customer concentration. The top 10 customers of the company accounted for 98.82%, 91.76%, and 82.58% of the company's revenue in FY 23, 24, and 25 respectively.

- There is supplier concentration. The top 10 suppliers of the company accounted for 73.47%, 76.99%, and 79.54% of the company's purchases in FY 23, 24, and 25 respectively.
- The company operates in a highly competitive industry making marketing and branding a very important aspects that it should focus on since the company relies on brand equity.
- The company takes finished goods from its vendors, engages in contract manufacturing and deals with distribution of stock-in-trade under its brand name.
- There is very high working capital requirement. Current assets and liabilities have contributed over 99% of total assets and liabilities in all preceding financial years.
- The company is highly under-leveraged as it is almost debt free. It has no long-term borrowings and minimal short-term borrowings.

Industry Overview –

-Footwear Industry:

India's footwear industry is currently valued at ₹55,000 crore. It has recorded an average annual revenue growth of 15% over the past few years. India is the second-largest producer of footwear globally, accounting for nearly 9% of the world's production-around 2.065 billion pairs annually—and follows only China in volume. Despite such large-scale production 90% of output is consumed within the country and only 115 million pairs exported. The industry is highly labour-intensive, employing over 4 million people, and is primarily unorganized-80% of sales are from products priced under ₹1,000, and 70% of the market is unorganized, particularly in lower-cost and mass-market categories.

-Leather Industry:

As of FY 2023–24, India exported leather, leather products, and footwear worth US\$ 4.69 billion, making it one of the top ten foreign exchange earners for the country. India is the second-largest exporter of leather garments. it possesses 20% of the world's cattle and buffalo population and 11% of the global goat and sheep population. The leather sector has moved beyond a purely need-based industry into a fashion-driven and digitally influenced segment. With the rise of India's fashion industry and increased global demand for quality products, premium and mid-segment leather goods are projected to grow at a CAGR of 10–11% between FY2020 and FY2025.

-Government Initiatives:

To support the growth and modernization of the leather and footwear industries, the Government of India launched the Indian Footwear and Leather Development Program (IFLDP), allocating US\$ 220 million (₹1,700 crore) until 2026. The initiative aims to develop infrastructure, promote sustainable practices, and generate employment. It includes the following six sub-schemes:

- Sustainable Technology and Environmental Protection (STEP): Focuses on zero liquid discharge, modern effluent treatment, and environmentally safe tanning practices.
- Integrated Development of Leather Sector (IDLS): Supports entrepreneurs in expanding production and improving productivity through new units.
- Establishment of Institutional Facilities: Funds infrastructure upgrades at Footwear Design and Development Institute (FDDI) campuses.
- Mega Leather Footwear and Accessories Cluster Development (MLFACD): Provides support for common infrastructure, skill development, and modern technology.

Key Management

-The management consists of **Arvind Kamboj (Managing Director & Chairman)**, **Shaina Malhotra (Whole-Time Director)**, and **Atul Malhotra (Non-Executive Director)**. Arvind Kamboj handles day-to-day operations of the business and has been in the company since May 22, 2022. Shaina Malhotra and Atul Malhotra have been associated with the company since its inception.

-**Saurabh Shashwat** and **Rojina Thappa** are **independent directors**. Saurabh Shashwat is a CS with 10 years of experience and Rojina Thappa is a CA with a limited experience of 4 years.

-**Rachit Choudhary (CFO)** has 8 years of experience and **Vasant Kuber Soni (CS & CO)** has a limited experience of 4 years.

The management team is satisfactory as they have relevant educational qualifications as well as over a decade of experience on average. However, there exists dual chairmanship within the company which is unfavourable.

Lead Manager

Finshore Management Service Limited has handled 15 IPOs in preceding 3 years out of which 12 have opened at a premium and 3 have opened at a discount.

FINANCIAL SNAPSHOT**Key Performance Indicators:****Key Ratios:**

Particulars	FY 23	FY 24	FY 25	Particulars	FY 23	FY 24	FY 25
P&L Statement				Per Share Data			
Total Income	3,743.72	4,040.07	4,246.42	Diluted EPS	1.31	8.15	9.41
Total Expenses	3,655.43	3,490.39	3,611.29	BV per share	19.73	60.50	21.51
EBITDA	87.33	536.76	632.97	Operating Ratios			
EBIT	86.19	533.46	630.66	EBITDA Margins	2.33%	13.35%	14.98%
PBT	88.29	549.68	635.13	PAT Margins	1.75%	10.14%	11.14%
Tax Expenses	22.66	141.99	164.59	Inventory days	12.43	66.48	84.11
Net Profit	65.63	407.69	470.54	Debtor days	72.11	42.78	80.57
Balance Sheet				Creditor days	122.09	54.96	81.1
Total Equity	197.28	604.98	1,075.51	Return Ratios			
Assets				RoCE	42.91%	87.64%	58.38%
Non-Current Assets	9.03	125.41	124.11	RoE	33.27%	67.39%	43.75%
Current Assets	1,289.99	1,576.34	2,100.05	Valuation Ratios (x)			
Total Assets	1,299.02	1,701.75	2,224.16	EV/EBITDA	0.01	1.03	1.52
Liabilities				Market Cap / Sales	0.27	0.25	1.18
Non-Current Liabilities	3.59	3.74	4.70	P/E	76.34	12.27	10.63
Current Liabilities	1,098.15	1,093.03	1,143.95	Price to Book Value	5.07	1.65	4.65
Total Liabilities	1,299.02	1,701.75	2,224.16	Solvency Ratios			
Cash Flow Statement				Debt / Equity	-	0.24	-
CFO	60.71	-44.10	61.63	Current Ratio	1.17	1.44	1.84
CFI	-0.87	99.13	20.11	Quick Ratio	1.06	0.77	0.98
CFF	38.51	144.19	-161.42	Asset Turnover	2.88	2.36	1.90
				Interest Coverage Ratio	-	150.27	38.91

Financial Analysis

- Revenue from operations increased by 7.45% & 5.11% in FY 24 & 25 respectively. Total income increased by 7.92% and 5.11% during the same time period. This was mainly due to rise in offline sales through wholesale business.
- The company has seen an increase in its operating margins every year.
- EBITDA is higher than PBT because other income is of a substantial amount. Interest income is a major part of it.
- The company is almost debt free.
- Employee benefit expense has been decreasing over the years due to a decrease in salaries and staff.
- Purchase of stock-in-trade increased in FY24 due to higher purchases and decreased in FY25 due to purchases made at lower price.
- The company is not leveraging debt as it has availed no long-term borrowings. This is unfavourable as a company should use a mix of both, debt and equity. Post IPO the change in company's capital structure would be more unfavourable than it is now.

Although we can see an increase in top line and bottom-line figures as well as operating margins, the financials of the company are unstable and the capital structure is very under leveraged.

Peer Analysis

Particulars	Marc Loire Fashion Limited			Liberty Shoes Limited			Lehar Footwears Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	1.75%	10.14%	11.14%	1.97%	1.75%	2.01%	2.46%	3.29%	3.92%
EBITDA Margin	2.33%	13.35%	14.98%	9.42%	9.83%	9.89%	7.34%	9.59%	9.51%
RoCE	42.91%	87.64%	58.38%	10.02%	9.44%	9.46%	10.49%	12.15%	17.06%
ROE	33.27%	67.39%	43.75%	6.51%	5.33%	6.10%	5.77%	6.41%	9.68%
EPS (INR)	1.31	8.15	9.41	7.88	6.40	7.92	3.50	3.93	6.15
P/E	76.34	12.27	10.63	24.70	49.36	40.16	21.58	41.82	40.54

Particulars	Marc Loire Fashion Limited			Sreeleathers Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	1.75%	10.14%	11.14%	1.97%	1.75%	2.01%
EBITDA Margin	2.33%	13.35%	14.98%	9.42%	9.83%	9.89%
RoCE	42.91%	87.64%	58.38%	10.02%	9.44%	9.46%
ROE	33.27%	67.39%	43.75%	6.51%	5.33%	6.10%
EPS (INR)	1.31	8.15	9.41	7.88	6.40	7.92
P/E	76.34	12.27	10.63	24.70	49.36	40.16

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