



IPO DETAILS

#IPOology

BHARTI HEXACOM LIMITED



 **ISSUE OPEN**

3rd April, 2024

 **ISSUE CLOSE**

5th April, 2024

Min. Lot Size
26 shares

Issue Price Band
₹542 - ₹570

Issue Size

Fresh Issue:
N/A

OFS:
75.00 mn Eq shares
(₹42,750 mn)

Face Value

₹5

Industry

Telecommunications

Listing at

NSE, BSE

RATING

Subscribe

OPEN ACCOUNT

APPLY NOW

Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

[For Facts & Figures](#)



BHARTI HEXACOM LIMITED

Rationale

Considering the TTM (Dec-23) / FY24-Annualized EPS of Rs 9.67/7.52 on a post-issue basis, the company is going to list at a P/E of 58.95x/75.80x with a market cap of Rs. 2,85,000 mn, whereas its peer namely Bharti Airtel Limited, is trading at a P/E of 63.3x.

We assign a "Subscribe" rating to this IPO as the company has strong parentage and an established brand along with a presence in markets with high growth potential. Also, it is available at a reasonable valuation as compared to its peers.

Objectives of the issue

To carry out the offer for sale of up to 75,000,000 equity shares by the selling shareholder; and

Achieve the benefits of listing the equity shares on the stock exchanges.

Company Overview

Bharti Hexacom Ltd is a communications solutions provider offering consumer mobile services, fixed-line telephone and broadband services to customers in the Rajasthan and the North East telecommunication circles in India, which comprises the states of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.

They offer their services under the brand 'Airtel'. Airtel owns 70% of its outstanding equity share capital and The Government of India through Telecommunications Consultants India Limited ("TCIL") owns 30% of their outstanding equity share capital.

They have been able to consistently increase their ARPU for mobile services from ₹135 for Fiscal 2021 to ₹155 for Fiscal 2022 to ₹185 for Fiscal 2023 to ₹197 for the nine months ended December 31, 2023.

As of December 31, 2023, they were present in 486 census towns and had an aggregate of 27.1 million customers across both the circles.

Their customer market share has grown consistently in Rajasthan from 33.1% as of March 31, 2021 to 35.0% as of December 31, 2023 and in the North East from 43.6% to 49.8% between the same dates.

As of December 31, 2023, they utilized 24,874 network towers, of which they owned 5,092 towers, and the remaining 19,782 towers were leased from tower companies.

They have set up 51 retail outlets and 24 small format stores to reach 90 cities and their distribution network comprised 616 distributors and 89,454 retail touch points.

ConnectX 19K

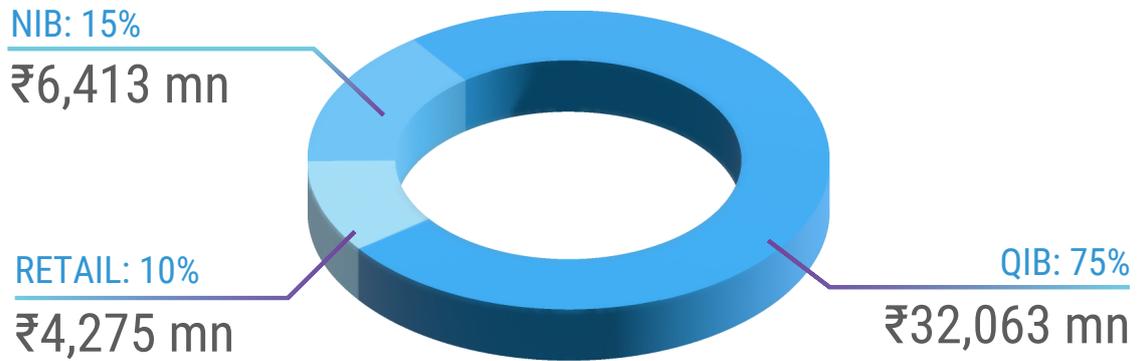
As of December 31, 2023, their customer base included 19,144 thousand data customers, of which 18,839 thousand were 4G and 5G customers.



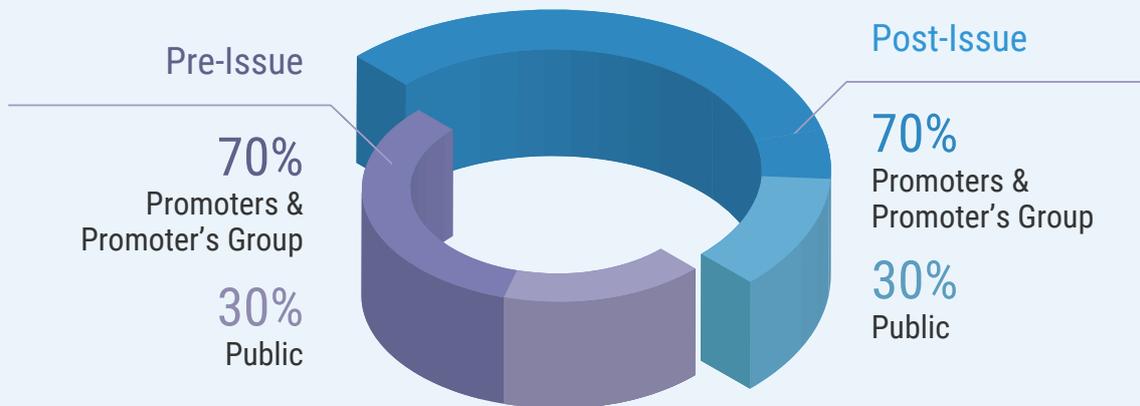
BHARTI HEXACOM LIMITED

Issue Details

Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹)



2,500 mn

Authorized Equity Share Capital



2,500 mn

Paid-Up Capital (Pre-Offer)



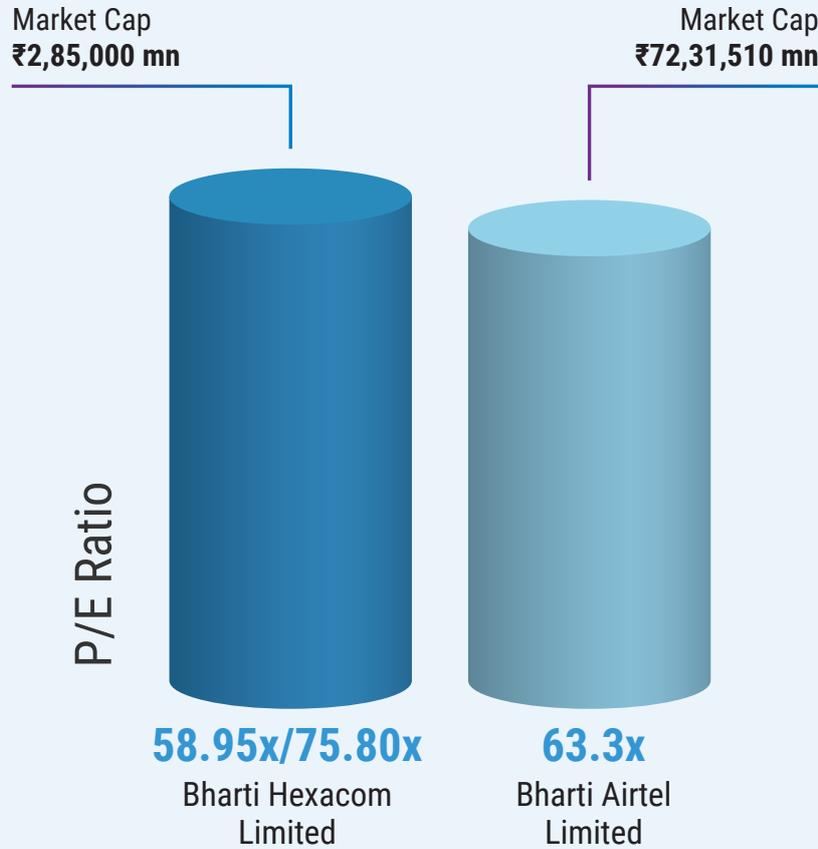
2,500 mn

Paid-Up Capital (Post-Offer)



BHARTI HEXACOM LIMITED

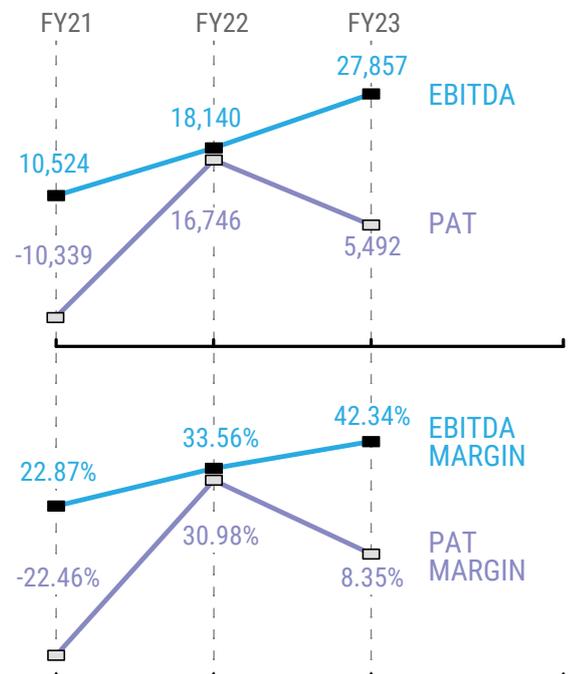
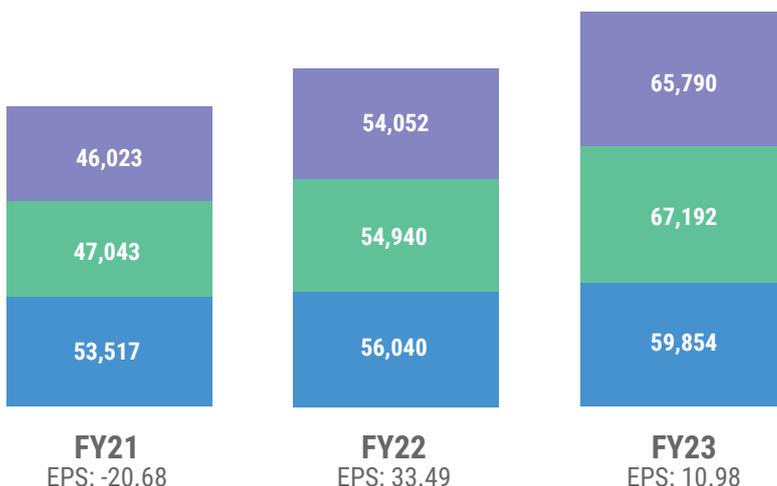
Valuations and Peer Comparison



Market Cap data of listed securities as on March 27, 2024

Financial Snapshot (in ₹ mn)

- Revenue
- Total Income
- Total Expenses





BHARTI HEXACOM LIMITED

Business Insights



Competitive Strengths

- Established leadership and a large customer base in their area of operations.
- Presence in markets with high growth potential.
- Strong parentage and established brand.
- Building a future ready network.
- Extensive distribution and service network.
- Experienced management team.



Business Strategy

- Grow their revenue by focusing on acquiring and retaining quality customers.
- Expand their network coverage.
- Deliver brilliant customer experience through an omnichannel approach and extensive use of data science.
- Improve their cost efficiencies.



Risks

- They derive revenues from providing mobile telephone services in Rajasthan and the North East circle and any unfavourable developments in such regions could adversely affect their business, results of operations, and financial condition.
- They require significant capital to fund their capital expenditure and if they are unable to raise additional capital, their business, financial condition and results of operations could be adversely affected.
- They have incurred significant indebtedness, and they must service this debt and comply with any lenders' covenants to avoid defaulting on their borrowings and refinancing risk. Any default may adversely affect their business and profitability.

Promoters and Management Details

Jagdish Saksena Deepak - Chairperson and Non-Executive Director

Devendra Khanna - Non-Executive Director

Soumen Ray - Non-Executive Director

Sanjeev Kumar - Non-Executive Director

Surajit Mandol - Non-Executive Director

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