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## **RASHI PERIPHERALS LIMITED**

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### **IPO NOTE**

*February 2024*

## ISSUE HIGHLIGHTS

- ❑ **Rashi Peripheral Limited ("RPL")** was incorporated on March 15, 1989. RPL is among the leading value-added national distribution partners for global technology brands in India for information and communications technology ("ICT") products. RPL has expanded their distribution network across India and as of September 30, 2023, had one of the largest ICT products distribution networks in India.
- ❑ RPL primarily operate the following 2 business verticals:
  - **Personal Computing, Enterprise and Cloud Solutions ("PES"):** Under this vertical the company distributes personal computing devices, enterprise solutions, embedded designs/ products and cloud computing.
  - **Lifestyle and IT essentials ("LIT"):** This includes the distribution of products.
- ❑ The company distributes their products primarily through the General Trade, Modern Trade and E-Commerce.
- ❑ Company's pan-India distribution network comprises 50 branches that operate for sales and as service centres and 63 warehouses, through which they are able to cover 680 locations in India, as of September 30, 2023.
- ❑ As of September 30, 2023, they were a national distribution partner for 52 global technology brands that include ASUS Global Pte. Ltd., Dell International Services India Pvt Ltd, HP India Sales Pvt Ltd, Lenovo India Pvt Ltd, Logitech Asia Pacific Ltd, NVIDIA Corporation, Intel Americas, Inc., Western Digital (UK) Ltd, Schneider Electric IT business India Pvt Ltd, Eaton Power Quality Pvt Ltd, ECS Industrial Computer Co., Ltd., Belkin Asia Pacific Ltd, TPV Technology India Pvt Ltd., LG Electronics India Pvt. Ltd. and Toshiba Electronic Components Taiwan Corporation.
- ❑ Their revenue from operations grew at a CAGR of 26.32% from ₹5,925.05 crore in Fiscal 2021 to ₹ 9,454.28 crore in Fiscal 2023 and was ₹5,468.51 crore in the 6 months ended September 30, 2023.

## BRIEF FINANCIAL DETAILS\*

(₹ In Cr)

	As at Sep'30,		As at Mar' 31,		
	2023 (06)	2022 (06)	2023 (12)	2022 (12)	2021 (12)
Share Capital	20.89	20.89	20.89	20.89	1.00
Reserves	751.92	626.97	679.30	554.25	393.26
Net Worth as stated	772.74	647.79	700.12	575.07	394.19
Revenue from Operations	5,468.51	5,023.94	9,454.28	9,313.44	5,925.05
Revenue Growth (%)	8.85%	-	1.51%	57.19%	-
EBITDA	165.66	136.51	267.61	305.22	215.23
EBITDA Margin (%)	3.03%	2.72%	2.83%	3.28%	3.63%
Profit before Tax	102.61	89.41	164.63	239.85	178.87
Net Profit for the period	72.02	67.38	123.34	182.51	136.35
Net Profit Margin (%) as stated	1.32%	1.34%	1.30%	1.96%	2.30%
EPS - Basic & Diluted (₹)	18.24^	16.90^	29.50	43.57	31.20
RONW (%)	9.86%^	10.90%^	17.60%	31.66%	33.07%
Net Asset Value (₹) as stated	184.94	155.03	167.56	137.63	94.34

Source: RHP; \*Restated Consolidated, #Networth excluding Revaluation Reserve

## Issue Details

**Fresh Issue of Equity Shares aggregating upto ₹600 Crore**

## Issue Summary

**Issue size: ₹ 600 Cr**

**No. of shares: 20,338,983 – 19,292,604 Shares**

**Face value: ₹ 5/-**

**Price band: ₹ 295 - 311**

**Bid Lot: 48 Shares** and in multiple thereof

**Post Issue Implied Market Cap =**

**₹ 1,975 – 2,049 Cr**

**BRLMs:** JM Financial, ICICI Securities

**Registrar:** Link Intime India Pvt. Ltd.

**Issue opens on:** Wednesday, 7<sup>th</sup> Feb'2024

**Issue closes on:** Friday, 9<sup>th</sup> Feb'2024

## Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	12-02-2024
Refunds/Unblocking ASBA Fund	13-02-2024
Credit of equity shares to DP A/c	13-02-2024
Trading commences	14-02-2024

## Issue break-up

	No. of Shares		₹ In Cr	% of Issue
	@Lower	@upper		
QIB	10,169,490	9,646,301	300	50%
NIB	3,050,848	2,893,891	90	15%
-NIB2	2,033,898	1,929,260	60	
-NIB1	1,016,950	964,631	30	
RET	7,118,645	6,752,412	210	35%
<b>Total</b>	<b>20,338,983</b>	<b>19,292,604</b>	<b>600</b>	<b>100%</b>

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	48 Shares	672 Shares	3,216 Shares
Minimum Bid Lot Amount (₹)	₹ 14,928^	₹ 2,08,992^	₹ 10,00,176^
No. of Applications for 1x	1,40,675	1,435	2,871

## Listing: BSE & NSE

## Shareholding (No. of Shares)

Pre Issue	Post Issue~	Post Issue^
46,607,061	66,946,044	65,899,665

~@Lower price Band ^@ Upper Price Band

## Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	57.54%	40.70%
Promoter Group	32.11%	22.71%
Public	10.35%	36.60%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

### Company and Directors

The company was originally incorporated as “Rashi Peripherals Private Limited” on March 15, 1989. Krishna Kumar Choudhary, Sureshkumar Pansari, Kapal Suresh Pansari, Keshav Krishna Kumar Choudhary, Chaman Pansari, Krishna Kumar Choudhary (HUF), and Suresh M Pansari HUF are the promoters of the company. Currently, Promoters hold 26,818,764 Equity Shares, comprising 57.54% of the pre-offer, subscribed and paid-up Equity Share capital of the company.

### Brief Biographies of Directors

**Krishna Kumar Choudhary** is a Promoter, Chairman and Whole-time Director of the company. He has 25 years of experience in the IT distribution industry. He has been associated with the company since 1997.

**Sureshkumar Pansari** is a Promoter, Vice-Chairman and Whole-time Director of the company. He has 33 years of experience in the technology channel sector. He has been associated with the company since 1989.

**Kapal Suresh Pansari** is a Promoter and Managing Director of the company. He has 15 years of experience in the technology channel sector. He has been associated with the company since 2007.

**Keshav Krishna Kumar Choudhary** is a Promoter and Whole-time Director of the company. He has 10 years of experience in the technology sector. He has been associated with the company since 2012.

**Yazdi Piroj Dandiwal** is an Independent Director of the company. He has 49 years of experience in the legal sector. He has been associated with the company since 2022.

**Anandkumar Radhakrishna Ladsariya** is an Independent Director of the company. He has experience in management. He is also currently the managing director of Everest Flavours Ltd. He has been associated with the company since 2023.

**Drushti Rahul Desai** is an Independent Director of the company. She has 25 years of experience as a member of the board of directors of several companies. She has been associated with the company since 2022.

**Mamidanna Prasad** is an Independent Director of the company. He has 19 years of experience as a member of the board of directors of several companies. He has been associated with the company since 2022.

### Key Managerial Personnel

**Rajesh Goenka** is the Chief Executive Officer of the company. He was originally appointed to the company in 2001 till 2006 and later resumed in 2008. He has more than 21 years of experience in sales and marketing.

**Himanshu Kumar Shah** is the Chief Financial Officer of the company. He has been associated with the company since 2018. Prior to joining the company, he has been associated with Lintas India Pvt Ltd, Percept Finserve Pvt Ltd, LG Electronics India Pvt Ltd and India Power Services Ltd. He has more than 7 years of experience in finance.

**Hinal Tejas Shah** is the Company Secretary and Compliance Officer of the company. She has been associated with the company since 2022. She has more than 8 years of experience in secretarial work.

## OBJECTS OF THE ISSUE

Objects	Amount ( ₹ Cr)
• Prepayment or scheduled re-payment of all or a portion of certain outstanding borrowings availed by the company;	326.00
• Funding working capital requirements of the company	220.00
• General Corporate Purposes	[ • ]
<b>Total</b>	<b>[ • ]</b>

### Details of Pre- IPO Placement of ₹ 150 Cr

The company has undertaken a Pre-IPO Placement of 4,823,151 **Equity Shares** at a price of ₹ 311/- per share, aggregating to ₹ 150 crore as under:

Name of the Entity	No. of Equity Shares	Amount ( ₹ Cr)
Volrado Venture Partners Fund- III-BETA	3,215,434	100.00
Madhuri Madhusudan Kela	1,607,717	50.00
<b>Total</b>	<b>4,823,151</b>	<b>150.00</b>

## SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue of the Shares	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoters	26,818,785	57.54%		26,818,785	40.70%
Promoters Group	14,964,705	32.11%		14,964,705	22.71%
<b>Total for Promoter &amp; Promoter Group</b>	<b>41,783,490</b>	<b>89.65%</b>		<b>41,783,490</b>	<b>63.40%</b>
Public	4,823,571	10.35%	19,292,604	24,116,175	36.60%
<b>Total for Public Shareholders</b>	<b>4,823,571</b>	<b>10.35%</b>	<b>19,292,604</b>	<b>24,116,175</b>	<b>36.60%</b>
<b>Total Equity Share Capital</b>	<b>46,607,061</b>	<b>100.00%</b>	<b>19,292,604</b>	<b>65,899,665</b>	<b>100.00%</b>

## BUSINESS OVERVIEW

Rashi Peripherals Limited (“RPL”) is among the leading value-added national distribution partners for global technology brands in India for information and communications technology (“ICT”) products in terms of revenues and distribution network in Fiscal 2022. RPL is also one of the fastest growing national distribution partners for global technology brands in India in terms of revenue growth between Fiscal 2020 and Fiscal 2022. Their revenue from operations grew at a CAGR of 26.32% from ₹ 5,925.05 crore in Fiscal 2021 to ₹ 9,454.28 crore in Fiscal 2023 and was ₹ 5,468.51 crore in the 6 months ended September 30, 2023. The company differentiates themselves by offering end-to-end value-added services such as pre-sale activities, solutions design, technical support, marketing services, credit solutions and warranty management services.

### Company’s Legacy

Incorporated in 1989 and having more than 34 years of experience in distribution of ICT products in India, RPL commenced operations with manufacturing of peripherals. With the liberalization of the Indian IT sector in 1991, they transitioned to distribution of ICT products of global technology brands in India. They have been instrumental in facilitating the entry of number of global technology brands and were among the select players that led the formalization of the fragmented and unorganized ICT products distribution in India. Over the years, they have continually expanded their operations and between Fiscal 2002 and the 6 months ended September 30, 2023, the company distributed 31.19 crore units (including shortages of certain items, and items given free, if any) of ICT products. RPL has expanded their distribution network across India and as of September 30, 2023, had one of the largest ICT products distribution networks in India.

### Business Verticals

RPL primarily operate the following 2 business verticals:

- **Personal Computing, Enterprise and Cloud Solutions (“PES”)**: Under this vertical the company distributes personal computing devices, enterprise solutions, embedded designs/ products and cloud computing.
- **Lifestyle and IT essentials (“LIT”)**: This includes the distribution of products such as
  - Components that include graphic cards, central processing units (“CPUs”) and motherboards,
  - Storage and memory devices,
  - Lifestyle peripherals and accessories that include keyboard, mice, web cameras, monitors, wearables, casting devices, fitness trackers and gaming accessories,
  - Power equipment such as UPS and invertors,
  - Networking and mobility devices.

The details of **company’s market share** (by value) in Fiscal 2023:

Verticals / Sub-Segments	Company’s Market Share* (% to Total Market Share)	Verticals / Sub-Segments	Company’s Market Share* (% to Total Market Share)
<b>Personal Computing, Enterprise and Cloud Solutions (“PES”)</b>		<b>Lifestyle and IT essentials (“LIT”)</b>	
• Laptops	10%	• CPUs	45%
• Desktops	10%	• Motherboard	25%
• Routers	33%	• Graphic Cards	47%
• Switches	10%	• Hard Drives	29%
		• Pen Drives	42%
		• Keyboards and Mice	21%
		• Monitors	27%
		• UPS	13%

\* Market share is determined on the basis of units of a particular product distributed by the company divided by the total units of products sold in Fiscal 2023

### Distribution Network and Channels

Company's pan-India distribution network comprises 50 branches that operate for sales and as service centres and 63 warehouses, as of September 30, 2023. Through their branches and warehouses, they are able to cover 680 locations in India, as of September 30, 2023.

They distribute products primarily through the following channels:

- **General Trade:** Includes Hybrid Resellers who sell to online marketplaces and retail channels, regional distributors ("RDs"), stockist partners or sub-distributors, retailers, brand stores, system integrators ("SIs"), original equipment manufacturers ("OEMs") and corporate resellers who sell to corporate customers, all of which are collectively referred to as "Channel Partners". As of September 30, 2023, they had an ecosystem of 8,402 customers.
- **Modern Trade:** Includes large format retail ("LFR"), multi-format retail ("MFR") and small format retail ("SFR") chains.
- **E-Commerce:** Includes certain of India's leading online marketplaces.

### Global Technology Brands

As of September 30, 2023, they are a **national distribution partner for 52 global technology brands**. They are a national distribution partner of global technology brands in product categories such as personal computing, mobility, enterprise, embedded solutions, components, lifestyle, storage and memory devices, power, and accessories.

They distribute products for **Global Technology Brands** such as:

<ul style="list-style-type: none"> <li>• ASUS Global Pte. Ltd,</li> <li>• Dell International Services India Pvt Ltd,</li> <li>• HP India Sales Pvt Ltd,</li> <li>• Lenovo India Pvt Ltd,</li> <li>• Logitech Asia Pacific Ltd,</li> <li>• NVIDIA Corporation,</li> <li>• Intel Americas, Inc,</li> <li>• Western Digital (UK) Ltd,</li> </ul>	<ul style="list-style-type: none"> <li>• Schneider Electric IT business India Pvt Ltd,</li> <li>• Eaton Power Quality Pvt Ltd,</li> <li>• ECS Industrial Computer Co. Ltd,</li> <li>• Belkin Asia Pacific Ltd,</li> <li>• TPV Technology India Pvt Ltd,</li> <li>• LG Electronics India Pvt Ltd,</li> <li>• Toshiba Electronic Components Taiwan Corporation,</li> <li>• Harman International (India) Pvt Ltd.</li> </ul>
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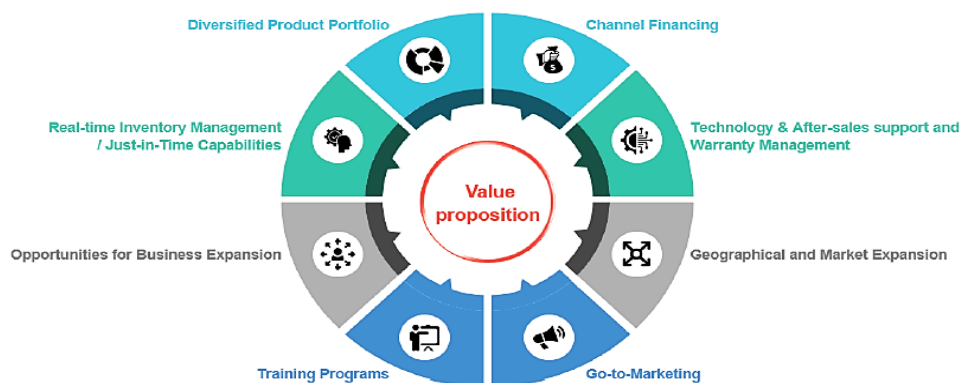
Over the years, they have consistently added new global technology brands to their portfolio and work with them to distribute products across categories. They have had business relationships for more than 8 years with several global technology brands that they currently service. They were the 1<sup>st</sup> national distribution partner for few of such global technology brands.

RPL work with global technology brands to offer market intelligence, channel engagement strategies, competitive benchmarking and assist in formulation of entry strategies into India for global technology brands that currently do not have or have limited presence in the country. They assist global technology brands in growing their market share in India through competitive analysis across product segments, geographies, and customer categories. They also provide product portfolio planning assistance across price points, ensure availability of products through multiple channels and sales promotion strategies. In their experience, these activities have helped global technology brands to penetrate, grow and retain their market share in the Indian market. This has enabled them to grow their wallet share with such global technology brands.

### The vintage of company's relationship with global technology brands:

Period	No. of Global Technology Brands	No. of Global Technology Brands with Relationship of Over 10 Years	% of Revenue from Operations from Global Technology Brands with Relationship of Over 10 Years (%)
6 Months ended Sep'30, 2023	52	11	78.06%
Fiscal 2023	53	11	79.67%
Fiscal 2022	50	12	79.40%
Fiscal 2021	45	12	79.96%

## Value Proposition

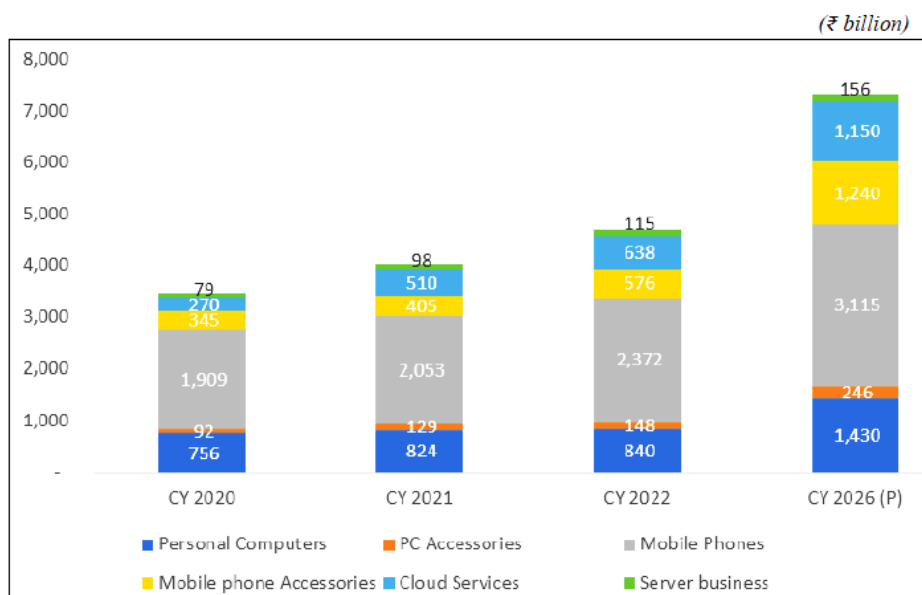


Customer Value Proposition	Vendor Value Proposition
<ul style="list-style-type: none"> <li>• Availability of diverse range of products,</li> <li>• Credit support,</li> <li>• Integrated sales and technology support,</li> <li>• Customised solutions for customers,</li> <li>• Opportunity for business expansion.</li> </ul>	<ul style="list-style-type: none"> <li>• Geographical reach and market penetration,</li> <li>• Training programs and business expertise,</li> <li>• Sales and technology support,</li> <li>• Channel Partner engagement,</li> <li>• Consistency and speed of execution.</li> </ul>

## MARKET OPPORTUNITY

India has a large addressable market for the personal computing segment including peripherals, storage, tablet PCs, mobile phone and accessories, cloud services, and server businesses. The market was approximately ₹ 4,589 billion in 2022, which is projected to grow to approximately ₹ 7,337 billion by 2026.

The total addressable market for the various product categories in the ICT industry:



This growth is driven by several key factors:

- Increasing usage of technology in general,
- Focus on e-Governance and Digitization,
- Increasing data volume,
- Efficient supply chain solutions,
- E-commerce platforms are enabling the growth of industry,
- COVID-19 work-from-home and supply chain constraints,
- Production-linked Incentive ("PLI") Scheme,
- Extended Producer Responsibility ("EPR") and E-Waste Management.

The growth of digital penetration in India over the periods indicated:

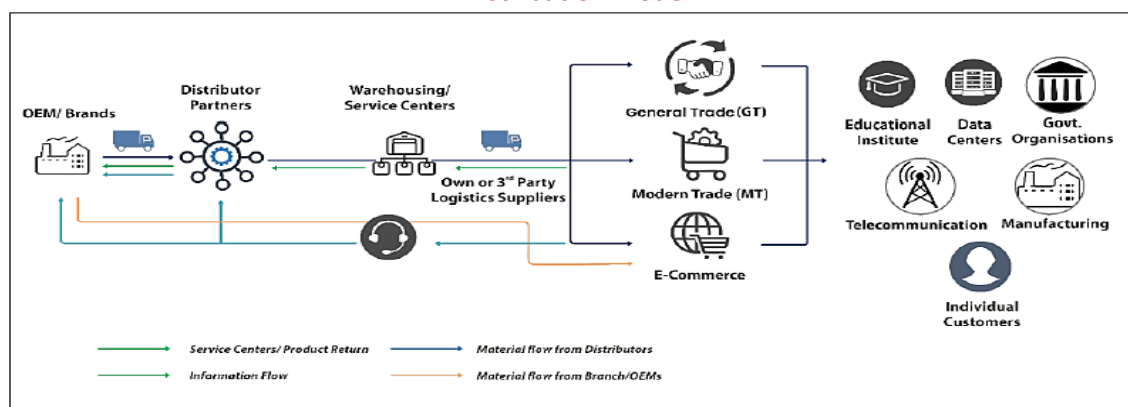
Particulars	CAGR Fiscal (2023 – 2025P)	CAGR Fiscal 2015 - 2023	Fiscal 2025(P)	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2015	Fiscal 2010
Total Internet Users (million)	~12%	~6%	900 – 1,000	846	825	778	687	350	72
Mobile Internet Users (Million)	~23%	5% - 7%	850 – 950	821	798	754	480	159	24
Mobile Internet Users as a share of Total Internet Users (%)	-	-	95% - 99%	97%	96%	97%	70%	45%	34%

P=Projected

## COMPANY BUSINESS OPERATIONS

RPL uses technology and their extensive experience to carry out comprehensive business planning exercises. They engage with global technology brands to enter into detailed sourcing arrangements. Their marketing teams periodically determine product pricing. Targets are assigned to their sales teams based on an annual sales plan. Their sales team sells products to customers who in-turn sell onwards to retailers and end-users.

### Distribution model



## Products, Services, Solutions, Logistics Management, and Implementation

RPL maintain a diversified and comprehensive portfolio of products and solutions across multiple product categories such as personal computing, embedded, cloud computing, retail, lifestyle, storage/memory, mobility, online and enterprise, networking, power, component.

**Products:** RPL distributes a variety of ICT products. The number of products they distribute across their various business verticals, as of September 30, 2023:

Vertical	Products (Units)	SKUs
PES – Personal computing, enterprise, and cloud solutions	3,168,050	5,363
LIT – Lifestyle and IT essentials	15,798,999	5,145

## Services and Solutions

RPL offers services and solutions to end-customers for certain global technology brands. They provide carry-in warranty services for products they distribute subject to vendor approval. In their experience, this offers end-customers the ability to obtain sales and service from the same company and location. They provide customized solutions to customers and they have developed a dedicated enterprise vertical where their pre-sales team develops solutions according to business requirements of enterprise customers.

## Logistics Management and Implementation

All their 63 warehouses, as of September 30, 2023, are connected on the advanced ERP system which offers real-time sales and inventory data across branches and warehouses. This enables them to plan inventories pan-India systematically and offer the same to their customers. They also have arrangements with national logistics providers as well as state and city-based transport agencies. They also engage hire third party transportation providers to enable just-in-time delivery.

## Business Model

### Volume-based Product Strategy:

The fast-moving high-volume products typically belong to well-established global technology brands. RPL plays an integral role working jointly with global technology brands to execute their demand generation activities through trade marketing across



distribution network and channels. Key deliverables are just-in-time logistics, efficient inventory management, credit availability and cost-efficient economics to customers. Volume business involves strategic inventory management and real time inventory tracking across branches and delivery network to optimize working capital management.

#### Value-based Product Strategy:

The high end, high value products premium products are sold as a comprehensive IT solution to customers, enabling improved margins for the entire distribution network. This is an integral part of company's upselling and premiumization strategy which helps increase wallet share and margins. Unlike volume-based products, selling cycles are longer and many solutions require bundled products from multiple global technology brands allowing them to leverage their diversified product portfolio to address the needs of such consumers. Demand generation is led by in-house sales team using various cross-selling and upselling sales strategy.

## PAN- INDIA PRESENCE

Rashi Peripherals Pan India Presence



Rashi Peripherals has presence in Singapore



As of September 30, 2023, RPL has:

- Branches in 50 cities operates as sales centers, service centers and warehouses covering 730 locations.
- 10,508 SKUs across 63 warehouses. They distributed and marketed 3.44 crore units in Fiscal 2023 and 1.90 crore units in the 6 months ended September 30, 2023 from 52 global technology brands.
- 50 service centres where end users of ICT products with valid warranty on select global technology brands they service can visit to get replacement or refund in accordance with the brand policy.
- Team of 549 sales and marketing executives who are responsible for launching focused and targeted sales campaigns based on customer data collected and data insights generated.

## REVENUE FROM OPERATIONS

### Details of Revenue from Operations:

(₹ Cr)

Particulars	For the 6 months period ended 30 Sep,				For the year ended 31 March,					
	2023		2022		2023		2022		2021	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
<b>Revenue from contracts with customers</b>										
- Revenue from sale of goods	5,441.11	99.50%	5,013.57	99.79%	9,405.41	99.48%	9,287.48	99.72%	5,901.08	99.60%
- Revenue from sale of services	27.40	0.50%	10.37	0.21%	48.87	0.52%	25.96	0.28%	23.97	0.40%
<b>Total</b>	<b>5,468.51</b>	<b>100.00%</b>	<b>5,023.94</b>	<b>100.00%</b>	<b>9,454.28</b>	<b>100.00%</b>	<b>9,313.44</b>	<b>100.00%</b>	<b>5,925.05</b>	<b>100.00%</b>



## Segment-wise disaggregated Revenue Information:

(₹ Cr)

Particulars	For the 6 months period ended 30 Sep,				For the year ended 31 March,					
	2023		2022		2023		2022		2021	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
- PES – Personal computing, enterprise and cloud solutions	3,116.55	56.99%	2,847.73	56.68%	5,292.22	55.98%	5,353.01	57.48%	3,346.06	56.47%
- LIT – Lifestyle and IT essentials	2,351.96	43.01%	2,176.21	43.32%	4,162.06	44.02%	3,960.43	42.52%	2,578.99	43.53%
<b>Total</b>	<b>5,468.51</b>	<b>100.00%</b>	<b>5,023.94</b>	<b>100.00%</b>	<b>9,454.28</b>	<b>100.00%</b>	<b>9,313.44</b>	<b>100.00%</b>	<b>5,925.05</b>	<b>100.00%</b>

## KEY PERFORMANCE INDICATORS (“KPI”)

### Financial Information:

(₹ Cr, except percentage)

Particulars	As of / For the Six Months ended September 30,		CAGR between Fiscal 2021 and Fiscal 2023 (%)	As of/For the year ended March 31		
	2023*	2022*		2023	2022	2021
Revenue from operations	5,468.51	5,023.94	26.32%	9,454.28	9,313.44	5,925.05
Restated Profit after Tax	72.02	67.38	(4.89)%	123.34	182.51	136.35
PAT Margin (%)	1.32%	1.34%	(24.71)%	1.30%	1.96%	2.30%
Debt / Equity Ratio	1.82	1.55	-	1.53	1.52	1.23
Return on Equity	10.35%	11.54%	-	19.33%	37.56%	39.48%
Return on Capital Employed	7.22%	7.82%	-	14.21%	20.13%	23.46%
EBITDA	165.66	136.51	11.51%	267.61	305.22	215.23
EBITDA Margin (%)	3.03%	2.72%	(11.73)%	2.83%	3.28%	3.63%
Working Capital Days	57	52	-	53	40	36

\* Not annualized for the 6 months ended September 30, 2022 and September 30, 2023.

### The operational information:

Particulars	As of / For the Six Months ended September 30,		As of/For the year ended March 31		
	2023	2022	2023	2022	2021
Warehouses	63	62	65	58	58
Service Centers	50	50	50	50	51
General Trade	8,402	8,657	9,990	9,395	8,827
Modern Trade	3	3	3	3	4
E-commerce	2	3	3	3	3
Global Technology Brands	52	48	53	50	45
Branches	50	50	50	50	51
Locations	680	730	733	678	664
SKUs	10,508	10,195	14,677	13,828	11,883
Units	18,967,049	16,632,871	34,381,347	28,402,415	23,418,825
Others*	4,710	5,360	7,611	7,110	8,090

\* Others refers to distribution channels utilized by the Subsidiary, Znet Technologies Pvt Ltd, for provision of its services.

## COMPETITIVE STRENGTHS

- **Leading and fastest growing Indian distribution partner for information and communications technology products**

RPL is among the leading value-added and technology integrated national distribution partners for global technology brands in India for ICT products in terms of revenues in Fiscal 2023. They are also one of the fastest growing national distribution partners for global technology brands in India in terms of revenue growth between Fiscal 2021 and Fiscal 2023. The company distributes a range of ICT products such as personal computing, mobility, enterprise, embedded solutions, components, lifestyle, storage and memory devices, UPS, and accessories, manufactured by global technology brands. They also distribute cloud computing solutions. They are a major player catering to the Indian consumer demand in product categories like processors, graphic cards, and internal storage in Fiscal 2023.

Since inception and as of September 30, 2023, they have an active incentivization programme for the Channel Partners. They have introduced their 'Partner Certification Program', which offers a host of benefits to select Channel Partners including priority billing and access to schemes. They also conferred the 'Platinum Partner' status to 810 Channel Partners in Fiscal 2023.

- Pan-India and multi-channel distribution footprint backed by dedicated in-house infrastructure**

As of September 30, 2023, RPL has one of the largest ICT products distribution networks in India. They operated branches in 50 cities that operate as sales and service centres and warehouses covering 680 locations in 28 States and Union Territories in India through an ecosystem of 8,407 customers, as of September 30, 2023.

RPL acts as one-stop shop catering to business-to-business ("B2B") customers. They maintain a multi-channel mix to avoid risks associated with dependence on any single channel. Their channel mix primarily comprises General Trade, Modern Trade and E-commerce channels. Their multi-channel mix also allows them to serve a diverse customer base.

Particulars	Fiscal 2023			Fiscal 2022			Fiscal 2021		
	Number	Amount ₹ Cr	% of Total	Number	Amount ₹ Cr	% of Total	Number	Amount ₹ Cr	% of Total
General Trade	9,990	7,616.48	80.56%	9,395	7,519.33	80.74%	8,827	4,546.53	76.73%
Modern Trade	3	574.38	6.08%	3	481.93	5.17%	4	249.58	4.21%
E-Commerce	3	1,219.24	12.90%	3	1,289.61	13.85%	3	1,108.87	18.72%
Others	7,611	44.18	0.46%	7,110	22.58	0.24%	8,090	20.07	0.34%
<b>Total</b>	<b>17,607</b>	<b>9,454.28</b>	<b>100.00%</b>	<b>16,511</b>	<b>9,313.44</b>	<b>100.00%</b>	<b>16,924</b>	<b>5,925.05</b>	<b>100.00%</b>

RPL works primarily with Hybrid Resellers who are Channel Partners that sell to both online marketplaces and retail channels enabling them to serve tier II and tier III cities in India. They are able to leverage their local sales and inventory knowledge and post sales servicing capabilities to offer local connectivity and just-in-time deliveries. To incentivize Hybrid Resellers, they offer credit financing and competitive pricing solutions thereby enabling Channel Partners to scale their business with the company.

In addition, they also distribute equipment for high performance computing, artificial intelligence, data centres, enterprise storage, rendering, cloud computing, networking, and point-of-sale solutions to effectively serve the needs of their Enterprise Customers to provide solutions to their end-consumers.

The company considers their key value propositions to their customers to be their relationships with the Channel Partners, diverse portfolio, extensive pan-India operations, and commitment to quality of service, which have reflected in their increasing customer stickiness over the years. This is demonstrated below:

	6 months ended Sep'30, 2023	6 months ended Sep'30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
Total customers	8,407	8,663	9,996	9,401	8,834
Percentage of revenue from operations from Repeat Customers	99.34%	97.01%	91.77%	90.49%	89.10%

- Long-term relationships with marquee global technology brands supported by committed engagement strategy with customers**

The company maintain long-term relationships with several marquee global technology brands from whom they procure ICT products that they supply to their customers. As of September 30, 2023, they served 52 global technology brands. Global technology brands undertake continuous research and development and introduce new products from time-to-time. These global technology brands also have extensive supply chain capabilities which ensures availability of their products.

The revenue contribution from the Top-8 global technology brands for whom they are a national distribution partner for the periods indicated.

Particulars	6 Months ended September 30, 2023		6 Months ended September 30, 2022		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue	% of	Revenue	% of	Revenue	% of	Revenue	% of	Revenue	% of

	from Operations ₹ Cr	Revenue from Operations	from Operations ₹ Cr	Revenue from Operations	from Operations ₹ Cr	Revenue from Operations	from Operations ₹ Cr	Revenue from Operations	from Operations ₹ Cr	Revenue from Operations
Top 8 Global Technology Brands	4,505.56	82.39%	4,144.89	82.50%	7,763.16	82.11%	7,675.84	82.42%	4,926.63	83.15%

Note: Top 8 global technology brands differ across periods

The length Company's agreements with certain key global technology brands the company serve, as of September 30, 2023

Brands	ASUS Global Pte Ltd	Logitech Asia Pacific Ltd	Lenovo India Pvt Ltd	HP India Sales Pvt Ltd	Dell Inter- national Services India Pvt Ltd	NVIDIA Corporation	Western Digital (UK) Ltd	Intel Americas, Inc.
No of Years of Relationship	25	12	13	12	8	7	8	9

The details relating to company's relationships with global technology brands they serve:

Particulars	6 Months ended Se'30,2023			Fiscal 2023			Fiscal 2022		
	No. of Global Technology brands	Revenue from Operations ₹ Cr	% of Revenue from Operations	No. of Global Technology brands	Revenue from Operations ₹ Cr	% of Revenue from Operations	No. of Global Technology brands	Revenue from Operations ₹ Cr	% of Revenue from Operations
Over 14 years	8	3,889.73	71.13%	8	6,732.98	71.22%	9	6,828.89	73.90%
Over 10 years	11	4,248.59	78.06%	11	7,532.40	79.67%	12	7,395.27	79.40%
Over 5 years	23	5,156.76	94.30%	23	8,972.47	94.90%	24	8,925.37	95.83%

- Diversified and comprehensive product portfolio and value-added solutions**

Between Fiscal 2002 and Fiscal 2023, the company distributed 31.19 crore units from global technology brands, enabling them to satisfy customer requirements for seamless product availability. Their value-added support services are intended to link their customers and global technology brands with them as a one-stop provider of ICT products and related services. They also provide cost-effective services such as arrangements for financing support and project-based finance through third party financial institutions. Their comprehensive support services also include conducting demos and testing for the products, pre-sales, and post-sales technology support.

- Scalable business model supported by advanced technology stack**

The company purchases from global technology brands and sell to their customers. Maintaining relationships with the customers enables them to monitor demand to optimize their inventory while preserving customer fill rates and service levels. They manages their inventory through targeted initiatives aimed at minimizing excess and obsolete goods. They conduct real-time inventory tracking with monthly profitability evaluations to track and assess branch performances to ensure financial returns and minimize costs. Their structure has allowed them to grow their business across several geographic regions simultaneously while minimizing revenue concentration risk for both vendors and customers.

The details of Top-5 General Trade customers:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue from Operations ₹ Cr	% of Revenue from Operations	Revenue from Operations ₹ Cr	% of Revenue from Operations	Revenue from Operations ₹ Cr	% of Revenue from Operations
Top 5 General Trade Customers	609.13	6.44%	711.67	7.64%	218.30	3.68%

- Experienced Promoters and professional senior management team**

Krishna Kumar Choudhary and Sureshkumar Pansari, who are among their Promoters and the Chairman and Vice-Chairman of the company respectively, have experience across the ICT distribution industry. Their experience has resulted in the expansion of company's operations over the years. Their Board of Directors also includes a combination of management executives and independent directors who bring in diverse experience including in areas of business management, financial planning, credit and taxation, marketing, and technology. The company also has an experienced senior management team that leverages experience across diverse industries, including finance, marketing and business management, which positions them well to capitalize on future growth opportunities and implement new ideas and concepts. Their senior management team has been critical in establishing a successful, scalable operating model, consistently generating strong financial results and managing new service segments, customer relationships and new geographic markets.

## KEY BUSINESS STRATEGIES

- ***Increase wallet share with global technology brands for the existing portfolio***

RPL currently commands a certain wallet share of such global technology brands and there is potential to grow their wallet share. They intend to leverage their existing distribution capabilities, offerings, and experience to increase wallet share from existing global technology brands. Their understanding of the ICT industry and relationships with their vendors will enable them to expand the scope of their current services as well as provide additional services in new areas and segments to such global technology brands. They intend to increase their geographic penetration of existing global technology brands into different states and in particular focus on tier II and tier III cities.

- ***Diversify the product and solutions offerings and focus on emerging digitization trends***

The company has targeted brands that focus on product design and have curated their portfolio to include Edge Processors for artificial intelligence, DRAM, flash memory for storage, automotive integrated circuits, and Internet-of-Things modules such as 4G, 5G and GPS. They have also established a dedicated team that comprises business development executives and sales managers who have successfully on boarded several embedded brands.

They aim to establish a presence across the entire IT value chain as an end-to-end technology solutions provider in addition to targeting emerging product areas. They also plan to target emerging IT product segments in their developmental stages and establish product experience allowing them to keep their broad product line current with emerging trends. They intend to focus on offering Device-as-a-Service (“DaaS”) for their customers. The DaaS model offers personal computers, smartphones, and other mobile computing devices as a paid service for commercial use.

- ***Grow the portfolio of global technology brands***

RPL served 52 global technology brands as of September 30, 2023. Going forward, they intend to continue to leverage their distribution network, sales and marketing initiatives and their industry standing to establish relationships with new global technology brands and local brands to expand their vendor base, thereby growing the portfolio of products they distribute. They intend to target global technology brands that offer enterprise class networking and storage solutions. They also intend to foray into the software distribution segment. In order to address new product verticals such as enterprise class networking, storage solutions and software, they will look to hire specialized teams with core expertise.

- ***Deepen penetration across India and widen channel network***

RPL has a multi-channel pan-India distribution footprint and adopt a committed high-engagement strategy with their General Trade, Modern Trade and E-Commerce channels. Their current business model has allowed them to grow their business across several geographic regions within India simultaneously while minimizing the risk of geographical concentration in revenue generation for both vendors and customers. In existing markets, they intend to undertake additional channel engagement schemes. They will continue to offer training programmes and marketing support to Channel Partners to improve product knowledge and assist with sales. They also intend to expand their feet-on-street to onboard additional Channel Partners.

In addition, they intend to enter new markets where they are able to provide additional value by capitalizing on their robust distribution infrastructure, wide reach, channel connect and global management skills. RPL commenced their **international operations in Singapore in 2019** to expand their international footprint. They also intend to grow their international operations to increase their distribution outreach and Channel Partner connectivity.

- ***Further leverage technology and digital infrastructure to drive enhanced upselling, cross selling and improve efficiencies***

The company offers high-end storage solutions and servers for artificial intelligence machines. They also offer complete set of high-performance computing products for high-end gaming machines. They are currently in the process of implementing a SAP CRM that will enable sales automation to a unified platform and this will drive enhanced upselling and cross selling opportunities of bundled products and solutions across their customers. They also intend to leverage their in-house logistics and reverse logistics capabilities, as well as real-time inventory tracking, to ensure support for varying customer needs and their ability to meet changing end-user demands and forecast demand for their global technology brands.

## INDUSTRY OVERVIEW

### Association with brands of key distribution companies (in number of years)

Brands	Product Type	Rashi Peripherals	Competitor 1	Competitor 2	Competitor 3
Acer	Computing	-	19	-	-
Acronis	Cybersecurity	-	6	-	-
AOC	Peripherals	4	-	-	-
APC	UPS	15	-	-	-
Aruba	Networking and Security Solution	-	-	5	-
Asus	Computing	24	-	-	-
Belkin	Peripherals	13	-	-	-
CISCO	Software Solution	-	-	15+	-
Citrix	Cloud computing	-	-	-	3
Consul Neowatt	UPS	-	-	-	3
Dell	Computing	6	9	-	-
Delta	Components & Power System	-	5	-	-
D-Link	Networking Device	-	11	-	-
EATON	UPS	1	-	14	-
ECS	Components	15	-	-	-
Hitachi	Electronic	-	-	10	-
HP	Computing	11	-	15+	9
IBM	Software Solution	-	-	15+	-
Intel	Component	9	-	11	-
Lenovo	Security Software	12	-	-	-
LG	Peripherals	2	-	-	-
Logitech	Peripherals	10	-	-	9
McAfee	Security Software	-	-	9	-
Microsoft	Software Solutions	-	-	7	-
NVIDIA	Components	6	-	-	-
Sonicwall	Cybersecurity	-	25+	-	-
Targus	Peripherals	-	-	-	-
Toshiba	Peripherals	14	-	9	-
Western Digital	Storage	6	-	10	-

### Financial metrics of key players in Technology Reselling and Distribution Industry

(₹ in ₹ Cr)

Particulars	Rashi Peripherals		Competitor 1		Competitor 2		Competitor 3	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Revenue from Operations	9,454.3	9,313.4	34,727.5	31,175.7	79,376.8	62,644.0	31,607.1	23,556.2
EBITDA	267.6	305.2	1,114.3	938.4	2,260.7	1,879.2	1,193.6	854.5
EBITDA Margin	2.83%	3.28%	3.21%	3.01%	2.85%	3.00%	3.78%	3.63%
PAT Margin	1.30%	1.96%	2.29%	2.10%	1.81%	2.10%	2.15%	2.27%
Marketing and advertising yield	0.16%	0.21%	0.01%	NA	0.16%	0.25%	1.78%	1.03%
Return on Owner's Equity (ROE)	19.33%	37.56%	16.17%	15.59%	21.91%	23.87%	28.48%	29.61%
Inventory Days	55	37	31	30	28	23	31	26
Trade Receivable Days	39	38	55	53	48	45	52	42
Trade Payable Days	41	35	50	48	50	53	25	17
Working Capital Days	53	40	36	35	26	15	57	51
Debt/Equity	1.53x	1.52x	0.00x	0.00x	0.43x	1.10x	1.30x	1.02x
Interest Coverage	2.91	5.47	28.68	43.48	7.74	15.04	4.73	7.89

## COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31<sup>ST</sup> MARCH 2023)

Name of the Companies	Consolidated/ Standalone	Face Value	Total Income FY 2023 (₹ Cr)	Closing price as on Jan'18, 2024	EPS		NAV	P/E as on Jan'13, 2023	RoNW (%)
					Basic	Diluted			
Rashi Peripherals Ltd	Consolidated	5	9,468.95	NA	29.50	29.50	167.56	[ • ]	17.60%
Redington India Ltd	Consolidated	5	79,518.71	176.75	17.82	17.81	88.63	9.92	20.10%

Source: RHP

### Comparison of KPIs with listed industry peers

Particulars	Sep 30, 2023		Sep 30, 2022		March 31, 2023		March 31, 2022		March 31, 2021	
	RPL	Reding ton	RPL	Reding ton	RPL	Reding ton	RPL	Reding ton	RPL	Reding ton
Revenue from operations (₹ in Cr)	5,468	43,407	5,024	35,854	9,454	79,377	9,313	62,644	5,925	56,946
Growth in Revenue from Operations (%)	8.85	21.07	-	-	1.51	26.71	57.19	10.01	50.59	10.65
Profit after Tax (₹ in Cr)	72	567	67	718	123	1,439	183	1,315	136	789
Profit after Tax Margin (%)	1.32	1.31	1.34	2.00	1.30	1.81	1.96	2.10	2.30	1.38
Profit after Tax - Growth Rate (%)	6.89	(21.08)	-	-	(32.42)	9.47	33.85	66.76	256.65	47.86
EBITDA (₹ in Cr)	166	1,041	137	1,049	268	2,261	305	1,879	215	1,439
EBITDA margin (%)	3.03	2.40	2.72	2.93	2.83	2.85	3.28	3.00	3.63	2.53
EBITDA growth rate (%)	21.35	(0.85)	-	-	(12.32)	20.30	41.81	30.58	129.31	34.32
Net Debt / EBITDA Ratio	8.31	1.87	7.06	(0.04)	3.85	0.56	2.74	(1.41)	2.14	(1.73)
Return on Equity-RoE (%)	10.35	7.99	11.54	11.71	19.33	21.91	37.56	23.87	39.69	16.40
Return on Capital Employed-RoCE (%)	7.22	9.88	7.82	12.94	14.21	21.77	20.13	28.59	23.46	25.28
Working Capital Days	57	35	52	24	53	26	40	15	36*	19
Inventory Days	64	32	57	30	55	28	37	23	35*	22
Trade Receivable Days	37	55	43	49	39	48	38	45	37*	44
Trade Payable Days	44	52	48	55	41	50	35	53	36*	47
Debt Equity ratio	1.82	0.44	1.55	0.26	1.53	0.43	1.52	0.10	1.23	0.08

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