



IPO NOTE

RASHI PERIPHERALS LIMITED

Rating:

Subscribe

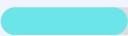
For long term



ISSUE OFFER

Issue Opens on	FEB 07, 2024
Issue Close on	FEB 09, 2024
Total IPO size (cr)	₹600.00
Fresh issue (cr)	₹600.00
Offer For Sale (cr)	NIL
Price Band (INR)	295 - 311
Market Lot	48
Face Value (INR)	5
Retail Allocation	35%
Listing On	NSE, BSE

ISSUE BREAK-UP (%)

QIB Portion		50%
NII Portion		15%
Retail Portion		35%

SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
46,607,061	65,899,665

INDICATIVE TIMETABLE

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

An Indian company called Rashi Peripherals Limited is in charge of distributing international technology brands. Their area of expertise is information and communication technology (ICT) goods. Pre-sales, technical support, marketing, credit solutions, and warranty management services are examples of value-added services that the company provides. A few of the company's clients are Logitech Asia Pacific Limited, NVIDIA Corporation, ASUS Global, Dell , HP, Lenovo India Private Limited, and Intel Americas.

OBJECTS OF THE ISSUE

- Payment of certain outstanding borrowings of the company.
- Funding working capital requirements
- General corporate purposes.

OUTLOOK & VALUATION

Rashi Peripherals, a leading and fast-growing Indian distributor of global ICT brands. Its diversified product portfolio, spanning hardware, software, and solutions, combined with its scalable business model and value-added services like pre-sales, technical support, and marketing, offer promising growth prospects.

However, some key risks require careful consideration. Rashi Peripherals' dependence on third-party vendors and channel partners exposes it to external factors beyond its direct control. Additionally, its relatively low gross margins compared to industry peers warrant scrutiny.

The IPO valuation of 10.54x P/E appears fully priced on a current basis. While the company's future growth potential and the positive industry outlook are encouraging thus we recommend Subscribe rating for this IPO.



KEY MANAGERIAL PERSONNEL

01

Krishna Kumar Choudhary

Promoter, Chairman and Whole-time Director of the Company. He obtained his bachelor's degree of commerce from Kashi Hindu University, in 1975. He has 25 years experience in the IT distribution industry. He is also a member of Institute of Chartered Accountants of India He has been associated with the Company since 1997.

02

Sureshkumar Pansari

Promoter, Vice-Chairman and Whole-time Director of the Company. He is also an associate member of the Institute of Chartered Accountants of India. He has 33 years experience in the technology channel sector. He has been associated with the Company since 1989.

03

Kapal Suresh Pansari

Promoter and Managing Director of the Company. He obtained his bachelor's degree in commerce from the University of Mumbai in 2004. He has 15 years experience in the technology channel sector. He has been associated with the Company since 2007.

04

Rajesh Goenka

Chief Executive Officer of the Company He has more than 21 years of experience in sales and marketing. Prior to joining the Company, he was associated with John Crane Engineered Sealing Systems Limited.

05

Himanshu Kumar Shah

Chief Financial Officer of the Company. Prior to joining the Company, he has been associated with Lintas India Private Limited, Percept Finserve Private Limited, LG Electronics India Private Limited and India Power Services Limited. He has more than 7 years of experience in finance.



COMPANY PROFILE

- The Company is among the leading 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 2023.
- The company has more than 34 years of experience in the distribution of ICT products in India.
- The company's clients include ASUS Global Pte. Ltd., Dell International Services India Private Limited, HP India Sales Private Limited, Lenovo India Private Limited, Logitech Asia Pacific Limited, NVIDIA Corporation, Intel Americas, Inc., Western Digital (UK) Limited, Schneider Electric IT Business India Private Limited, Eaton Power Quality Private Limited, etc.
- Rashi Peripherals is the national distributor for 52 global technology brands and has 50 branches, and 63 warehouses across India, with 8657 distributors across 680 locations in 28 States and Union Territories in India.

COMPETITIVE STRENGTHS

- Leading and fastest-growing Indian distribution partner for information and communications technology products.
- Pan-India and multi-channel distribution footprint backed by dedicated in-house infrastructure.
- Long-term relationships with marquee global technology brands supported by a committed engagement strategy with customers.
- Diversified and comprehensive product portfolio and solutions.
- Scalable business model supported by advanced technology stack.

KEY STRATEGIES

- Increase wallet share with global technology brands for the existing portfolio.
- Diversify the product and solutions offerings and focus on emerging digitization trends
- Grow the portfolio of global technology brands
- Deepen penetration across India and widen channel network.
- Further leverage technology and digital infrastructure to drive enhanced upselling, cross-selling and improve efficiencies

KEY CONCERNS

- The company is dependent on various vendors, who are global technology brands, for the products the company distributes.
- The company's gross margins are low, which magnifies the impact of variation in revenue, operating costs, bad debts, and interest expense on operating results.
- The company is reliant on relationships with certain online marketplaces and disruptions to such relationships or changes in their business practices, may adversely affect the business and the financial condition, results of operations and cash flows.
- Increasing competition in the information and communications technology products distribution industry may create certain pressures that may adversely affect the business, prospects, results of operations, cash flows and financial condition.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	EPS (Basic)	NAV	P/E	Total Income (Mn)	RoNW (%)
Rashi Peripherals Limited	29.50	167.56	-	94,689.47	17.60%
Peer Group					
Redington India Limited	17.82	88.63	9.92	7,95,187.10	20.10%

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLIONS)	FY 2023	FY 2022	FY 2021
Equity Share Capital	208.92	208.92	9.95
Other Equity	6,792.96	5,542.50	3,932.63
Net Worth	6,982.68	5,783.29	3,970.02
Total Borrowings	115.72	21.47	5.18
Revenue from Operations	94,542.79	93,134.38	59,250.48
EBITDA	94,689.47	93,219.21	59,317.35
Profit/loss before Tax	93,043.21	90,820.74	57,528.67
Net Profit/loss for the year	673.75	1,233.43	1,825.11



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CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000

Compliance Officer: Ms. Sheetal Duraphe Email: compliance@swastika.co.in Phone: (0731) 6644 241

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