

IPO Details	
<b>Opening Date</b>	Sept 13, 2023
<b>Closing Date</b>	Sept 15, 2023
<b>Stock Exchange</b>	BSE, NSE
<b>Lot Size</b>	14 Shares
<b>Issue Price</b>	₹ 983 to ₹1,035 per share
<b>Issue Size</b>	Aggregating up to 1,964.01 Cr.
<b>Fresh Issue</b>	Aggregating up to 180.00 Cr.
<b>Offer for Sale</b>	Aggregating up to 1,784.01 Cr.
<b>Application Amount</b>	Min. Inv. - ₹ 14,490 (14 shares) Max. Inv. - ₹ 1,88,370 (182 shares)

IPO Objective	
Repayment or prepayment, in full or in part, of borrowings availed by the company.	
General Corporate Purposes.	

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	7,37,76,147	66.42%
Public	3,72,92,709	33.58%

Promoter of the Company	
1	Tribhuvanprasad Rameshwarlal Kabra
2	Shreegopal Rameshwarlal Kabra
3	Mahendrakumar Rameshwarlal Kabra
4	Kirtidevi Shreegopal Kabra
5	Tribhuvanprasad Kabr HUF
6	Kabra Shreegopal Rameshwarlala HUF
7	Mahendra Kumar Kabra HUF

Competitive Strengths	
1	Well-positioned growth in FMEG segment
2	Scales B2C business
3	Extensive domestic & global network
4	Technologically advanced and integrated precision manufacturing facilities

Company Background	
<ul style="list-style-type: none"> <li>R R Kabels Limited was incorporated in the year 1995 and has its registered office in Mumbai, Maharashtra.</li> <li>The Company is engaged in manufacturing, marketing, and sale across two broad segments such as i) wires and cables under 'The RR Kabel' brand and ii) FMEG segments under 'Luminous Fans and Lights' brand.</li> <li>The company provides consumer electrical products used for residential, commercial, industrial, and infrastructure purposes.</li> <li>As of 30<sup>th</sup> June 23, the Company has 3,108 employees on its payroll.</li> </ul>	

Market Capitalization	
(In Cr.)	
Pre-Issue	Post-Issue
₹ 11,496	₹ 11,676

Financial Summary			
(In Lacs)			
For the Period Ended	Mar-21	Mar-22	Mar-23
<b>Total Assets</b>	1,71,511.40	2,05,064.40	2,63,362.10
<b>Net Assets</b>	1,04,663.10	1,25,030.30	1,41,969.50
<b>Total Borrowings</b>	49,871.30	52,111.10	51,584.10
<b>Total Revenue</b>	2,74,593.60	4,43,221.80	5,63,364.00
<b>Profit After Tax</b>	13,539.80	21,393.70	18,987.20

Tentative Timeline	
<b>Opening Date</b>	Sept 13, 2023
<b>Closing Date</b>	Sept 15, 2023
<b>Basis of Allotment</b>	Sept 21, 2023
<b>Initiation of Refunds</b>	Sept 22, 2023
<b>Credit of Shares to Demat</b>	Sept 25, 2023
<b>Listing Date</b>	Sept 26, 2023

## Company Background and Analysis

The Company was originally incorporated on February 6, 1995. The company undertakes the manufacturing, marketing and sale of (i) wires and cable products under the 'RR Kabel brand, and (ii) a variety of consumer electrical products, including fans and lights under the 'RR' brand, which is licensed by the company. The company also manufacture, market, and sell fans and lights under the 'Luminous Fans and Lights' brand, which is licensed by the company.

The company's wires and cables segment has been in operation since Fiscal 1999 and includes a wide range of products such as house wires, industrial wires, power cables and special cables. The wires and cables segment contributed to 88.56% and 89.09% of the revenue from operations in Fiscal 2023 and three months ended June 30, 2023, respectively. The company has actively diversified and expanded the product portfolio in adjacent areas such as FMEG, both organically and inorganically. The company owns and operates two integrated manufacturing facilities which are in Gujarat which primarily carry out manufacturing operations in respect of wire cables and switches, Additionally, they own and operate three integrated manufacturing facilities which are located in Uttarakhand, Karnataka, and Himachal Pradesh which carry out manufacturing operations in respect of FMEG products.

The company manufactures and sells a diverse portfolio of products across categories The products under the wires and cables segment include 'Firex LSOH', 'Superex', 'Unilay', medium and high voltage power cables and control cables. The company also manufactures a range of special application cables that can be customized as per customer specifications. The products in the FMEG segment are fans such as Jaipur Mahal fans, Audie fans and Droot fans, LED lights such as bulbs, battens, panels, and streetlights of different watts, as well as appliances such as Ardent and Calid. During the three months that ended June 30, 2023, the company launched 6 and 28 new products in the wires and cables and FMEG segments, respectively. Further, as of June 30, 2023, the company have 15 and 55 products under development for wires and cables and FMEG segments, respectively, of which no products under the wires and cables segment and 12 products under the FMEG segment have been launched as of the date of this RHP.

### Global Distribution Footprint –

1. Domestic – The company have 3,450 distributors, 3,656 dealers and 1,14,851 retailers, on a non-exclusive basis. The company has 21 warehouses across 17 states and union territories in India. The company intends to consolidate the warehouses over time. The company also have a presence on recognized e-commerce platforms.
2. Exports – The company exports a range of wires and cable products directly as well as through distributors across the world. During the FY 2021 to three months ended June 30, 2023, the company sold the products to 63 countries in North America, APAC, Europe and the Middle East. The company exports the majority of the products under the brand 'RR Kabel' and manufactures them under private labels for select customers.

Product-wise revenue break-up for the fiscal year ended 2022, and 2023 are given below-

(Amount in Lakhs)

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount	%	Amount	%	Amount	%
Wires and Cables	25,202.47	92.52	41,112.71	93.74	49,585.32	88.56
FMEG	2,038.86	7.48	2,749.63	6.27	6,474.85	11.56
Elimination	-1.92	-0.01	-2.98	-0.01	-68.17	-0.12
Total	27,239.41	100.00	43,859.36	100.00	55,992.00	100.00

Geography-wise revenue break-up according to off-line and online sales for the fiscal year ended 2022, and 2023 are given below –

(Amount in Lakhs)

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount	%	Amount	%	Amount	%
Within India	21,371.75	78.46	33,783.82	77.03	43,290.10	77.31
Outside India	5,867.66	21.54	10,075.54	22.97	12,701.90	22.69
Total	27,239.41	100.00	43,859.36	100.00	55,992.00	100.00

To conclude, the company was originally incorporated in the year 1995. The company sells products across two broad segments – i) wires and cables, and ii) FMEG. The company undertakes manufacturing, marketing, and sale of the same. The company's major revenue generation is through the Wires and Cables segment. The company is raising total gross proceeds of Rs. 1,964.01 Cr.

## Business Strategies

### 1. Expand distribution and establish a leadership position for the wires and cables segment in India.

The company believes that by expanding the distribution network in India, they will benefit from greater connections and exposure to potential customers, thereby positioning themselves to grow the market share in the domestic branded wires and cables and the general consumer electrical industry. The company by expanding the product mix in the established markets to take advantage of the shift to branded play in these markets and changing consumer preferences for branded products that offer quality and safety features. also intends to grow the on-shelf brand presence by expanding the existing offerings to “Star Dealers” as well as independent dealers.

### 2. Enhance the geographical footprint of the wires and cables segment.

The Company intends to leverage the suite of globally accredited products to grow the export business. The company intends to grow exports for specialised wires and cable products with specialised uses to meet the anticipated demand from customers across geographies.

### 3. Capitalize on the market opportunity in the wires and cables segment, including through innovation and product development to expand the product portfolio.

The company aims to enhance the value proposition to the customers by expanding the wires and cables product portfolio and introducing new product lines through product development and innovation. Additionally, plans to install a new greenfield project for PVC compound and copper wire and cable manufacturing at the Silvassa Facility, expand the electron beam (“e-beam”) production facility and expand power cable manufacturing at the Waghodia Facility.

### 4. Grow and expand the FMEG segment organically and inorganically.

The company intends to focus on manufacturing value-added FMEG that enjoy higher profit margins such as premium decorative fans and downlight panels ensuring the presence across price points, namely economy, mid-premium, and premium segments, and increase the contribution of premium FMEG products to the FMEG portfolio.

### 5. Enhance productivity and operational efficiencies.

The company intends to enhance its efforts to improve productivity and operational efficiencies by investing in technology. The company have implemented several low-cost automation solutions to improve process reliability, product quality and downtime.

### 6. Enhancing the environmental initiatives.

The company intends to formalize data capture, measurement, reporting and disclosing of the Green KPIs across the core functions and geographies, to allow them to track the progress towards the environmental goals, and have rolled out the Green KPIs as well as benchmarked against peers for guidance on target setting and internal improvements. The company also aims to source hybrid renewable green energy from third-party providers with the goal of increasing the contribution of such green energy to overall energy consumption.

## Competitive Scenario and Peer Mapping

### Competition

The company operates in a fragmented market. The company faces competition from unbranded and branded players including regional and national players. The barriers to entry in these sectors are low and the bargaining power with the suppliers is high.

## Peer Analysis

The comparison of the key performance indicators of the listed peers as on Mar-23 is given below –

Particulars	R R Kabel Limited	Havells India Limited	Polycab India Limited	KEI Industries Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	3.39%	6.34%	9.09%	6.90%
EBITDA Margin	5.77%	9.59%	13.06%	10.21%
Return on Capital Employed	17.19%	18.10%	24.70%	24.46%
Return on Equity	18.90%	16.18%	19.31%	18.42%
EPS (INR)	43.93	17.11	84.80	52.93

Particulars	Finolex Cables Limited	V-Guard Industries Limited	Crompton Greaves Consumer Electricals Limited	Bajaj Electricals Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	11.20%	4%	7%	4%
EBITDA Margin	11.07%	7%	11%	7%
Return on Capital Employed	11.96%	13%	17%	13%
Return on Equity	13.53%	11%	18%	12%
EPS (INR)	32.81	4.15	7.28	20.03

The comparison of the key performance indicators of the listed peers as on Mar-22 is given below –

Particulars	R R Kabel Limited	Havells India Limited	Polycab India Limited	KEI Industries Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	4.88%	8.58%	7.51%	6.57%
EBITDA Margin	7.01%	12.73%	10.36%	10.28%
Return on Capital Employed	19.53%	21.97%	18.73%	24.33%
Return on Equity	25.62%	19.92%	16.54%	17.61%
EPS (INR)	58.12	19.10	60.80	41.75

Particulars	Finolex Cables Limited	V-Guard Industries Limited	Crompton Greaves Consumer Electricals Limited	Bajaj Electricals Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	10.75%	7%	11%	3%
EBITDA Margin	11.04%	10%	14%	5%
Return on Capital Employed	11.40%	20%	21%	10%
Return on Equity	12.41%	16%	24%	8%
EPS (INR)	26.46	5.26	9.13	11.91

The comparison of the key performance indicators of the listed peers as on Mar-21 is given below –

Particulars	R R Kabel Limited	Havells India Limited	Polycab India Limited	KEI Industries Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	4.97%	9.98%	10.08%	6.46%
EBITDA Margin	8.49%	15.20%	12.64%	10.91%
Return on Capital Employed	16.40%	22.06%	18.70%	21.33%
Return on Equity	21.44%	20.17%	18.64%	15.22%
EPS (INR)	62.64	16.68	59.15	29.92

Particulars	Finolex Cables Limited	V-Guard Industries Limited	Crompton Greaves Consumer Electricals Limited	Bajaj Electricals Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	10.22%	7%	13%	4%
EBITDA Margin	12.83%	11%	15%	7%
Return on Capital Employed	10.53%	21%	31%	13%
Return on Equity	9.59%	16%	32%	11%
EPS (INR)	18.50	4.63	9.82	16.03

Based on the above analysis, the company has performed slightly lower in terms of profitability margins when compared to its peers on an average basis for FY 2023. The RoCE is at par, and ROE is slightly lower, and the EPS is slightly higher when compared to the peer companies for FY 2023.

**Industry Overview**

Exhibit 1: Export and Import of W&C (US\$ Million)

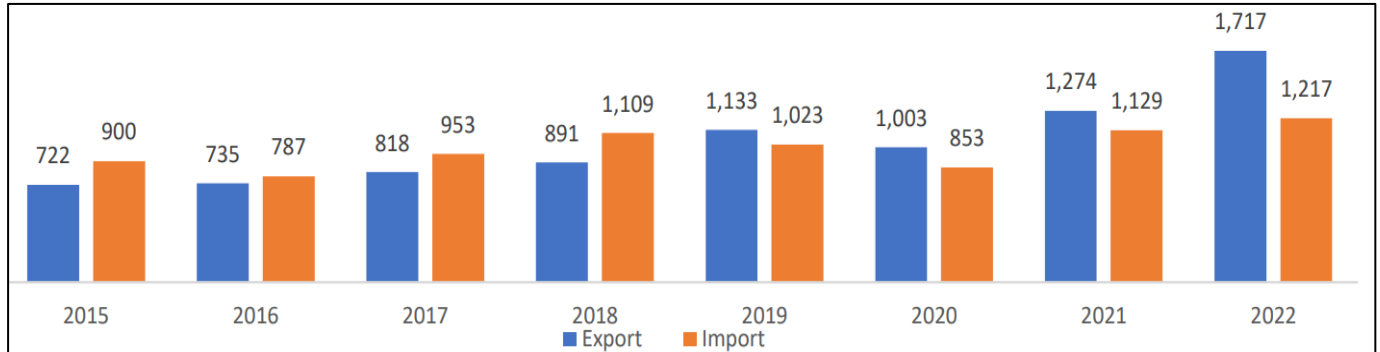


Exhibit 2: Fan Market in India – By Value for Fiscal year (INR Cr)

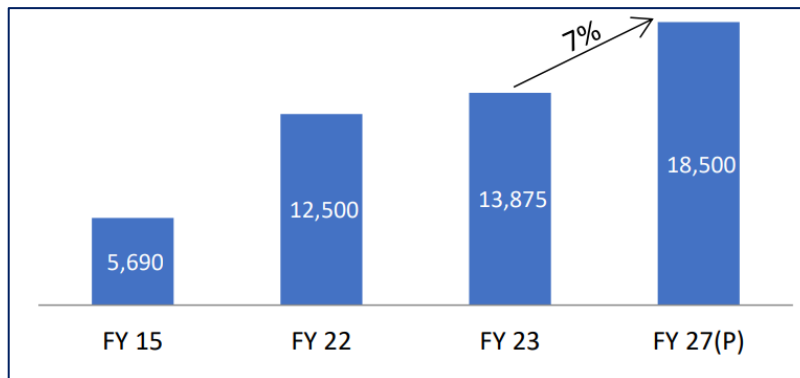
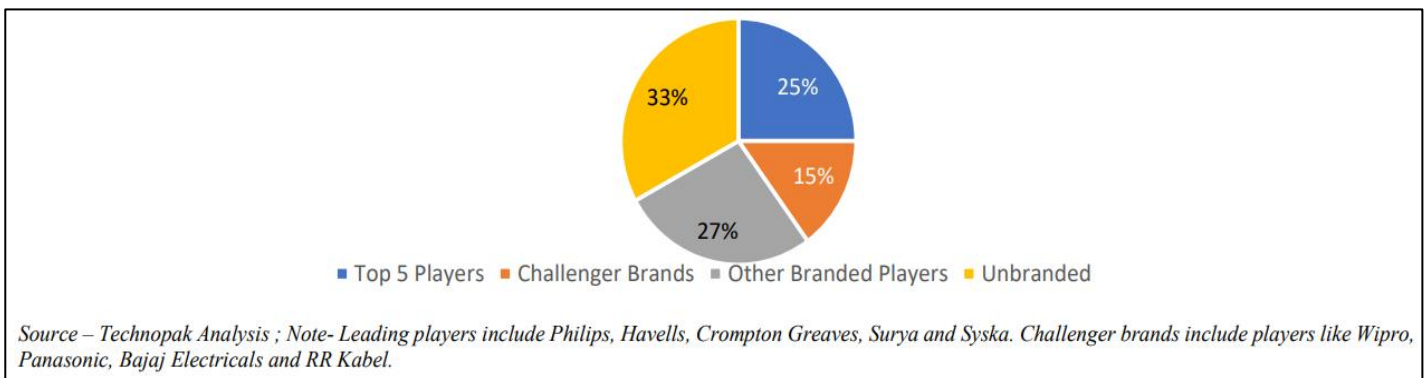


Exhibit 3: Market share of players in Domestic Lighting Industry in India (Fiscal 2023)



(Source: prospectus)

### **Indian Wire & Cable Market-**

The W&C market constitutes approximately 41% of the Indian W&C and FMEG industry. It has grown at a CAGR of approximately 11% from ₹ 33,500 crore in Fiscal 2015 to ₹ 74,800 crore in Fiscal 2023 and is further expected to grow at a CAGR of approximately 13% till Fiscal 2027 to reach a market value of ₹ 1,20,000 crore. The W&C market in India has steadily moved from largely unbranded play towards branded play including regional and national players, because of reasons such as rising awareness among consumers towards safety and quality, the advent of the GST regime etc.

In the W&C market, the share of branded players in sub-categories like housing wires and power cables is approximately 55% and 65%, respectively as of Fiscal 2023 and these sub-segments are expected to witness a substantial shift in share by Fiscal 2027, capturing approximately 70% and 75%, respectively. Other sub-segments like flexible and speciality cables, communication cables and control and instrumentation cables are mostly branded, with branded players controlling approximately 80-85% of the market as of Fiscal 2023. These sub-segments are also expected to witness a slight increase in branded share, controlling approximately 85-90% of the market by Fiscal 2027.

### **Fan Market in India -**

The total market for fans has grown at a CAGR of approximately 12% from ₹ 5,690 crore in Fiscal 2015 to ₹ 13,875 crore in Fiscal 2023 and is further expected to grow at a CAGR of approximately 7% till Fiscal 2027 to reach a market value of ₹ 18,500 crore.

The fan industry in India is steadily shifting towards the premium segment, with approximately 20% market share in Fiscal 2023, as compared to approximately 5% market share in Fiscal 2015. Increases in disposable income have enhanced the purchasing power of people, which has resulted in increased demand for technologically advanced and aesthetic fan products. Production of smart and IoT-enabled ceiling fans, enhanced design in terms of colour and aesthetics of ceiling fans, feature reinforcement through air purification and bladeless features are expected to serve as the key drivers of premiumization in the Indian fan market. The premium segment is expected to garner approximately 28% market share by Fiscal 2027. Many leading and challenger players are launching premium and decorative fans.

### **Lighting Market Size -**

The total market for lighting in India was estimated at approximately ₹ 33,600 crore in Fiscal 2023 which grew at a CAGR of approximately 12% from ₹ 14,000 Cr. in Fiscal 2015. This market is expected to grow at a CAGR of approximately 11% till Fiscal 2027 to reach approximately ₹ 50,500 crore in annual sales.

The lighting industry in India is steadily shifting towards the premium segment, with approximately 45% market share in Fiscal 2023, as opposed to approximately 35% market share in Fiscal 2015. Many leading and challenger players are launching the premium category of lighting. Havells has launched a Glamax smart batten and Aurom smart downlighter which can be operated using a smartphone to alter the brightness or change colours as well. The premium category is expected to contribute approximately 60% to the lighting market by Fiscal 2027.

(Source: prospectus)



## Key Managerial Personnel

### Individual Promoters –

**Tribhuvanprasad Rameshwarlal Kabra**, aged 68, is one of the promoters, and Executive Chairman of the company. He has completed his secondary-level school education. He has vast experience in the electrical industry.

**Shreegopal Rameshwarlal Kabra**, aged 65, is one of the Promoters, and Managing Director of the company. He has completed his secondary-level school education. He has vast experience in the electrical industry.

**Mahendrakumar Rameshwarlal Kabra**, aged 66, is one of the promoters, and Joint Managing Director of the company. He has completed his secondary level school education and holds a licentiate diploma in mechanical engineering. He has vast experience in the electrical industry.

**Kirtidevi Shreegopal Kabra**, aged 61, is one of the promoters of the Company. She holds a bachelor's degree in commerce. She has led the corporate publicity, branding and communication function of the Company since 1995.

### Corporate Promoters –

**Tribhuvanprasad Kabra HUF, Kabra Shreegopal Rameshwarlal HUF, Mahendra Kumar Kabra HUF**

**Mitesh Daga**, aged 44, is the Non-Executive Nominee Director of the company. He holds a degree of Bachelor of Technology and is also a holder of a chartered financial analyst charter issued by the CFA Institute.

**Bhagwat Singh Babel**, aged 70, is the Independent Director of the Company. He holds a degree of bachelor's in technology in electrical engineering and a diploma of membership from the Institution of Engineers (India).

**Ramesh Chandak**, aged 76, is the Independent Director of the company. He holds a degree of master's in commerce and completed a program on 'leading change and organizational renewal'. He is also a practising member of the Institute of Chartered Accountants of India.

**Vipul Sabharwal**, aged 62, is the Independent Director of the company. He holds a degree of bachelor's in arts and holds a Master of Management Studies degree. Previously, he was associated with Luminous Power Technologies Private Limited as managing director.

**Jyoti Davar**, aged 56, is the Independent Director of the company. She holds a degree of bachelor's in commerce and holds a Master of Arts degree. She was associated with the Federation of Indian Chambers of Commerce & Industry as assistant secretary-general and is currently designated as the deputy secretary-general.

To conclude, the company has 4 individual promoters and 3 corporate promoters, and they have vast experience in the industry in which the company operates. The remaining directors also have good experience in the fields which help in the growth of the business. The roles and responsibilities of the directors/ management are not disclosed accurately.

**Financial Snapshot**

<b>Profit and Loss Statement</b>			<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
Revenue from Operations	2,72,394.10	4,38,593.60	5,59,920.00
Other Income	2,199.50	4,628.20	3,444.00
<b>Total Income</b>	<b>2,74,593.60</b>	<b>4,43,221.80</b>	<b>5,63,364.00</b>
<b>Expenses</b>			
Cost of Material Consumed	2,17,319.90	3,57,551.50	4,36,978.80
Purchase of stock-in-trade	12,986.40	15,661.70	36,885.30
Changes in inventories of finished goods, stock-in-trade, work-in-progress and scrap	-15,384.50	-12,415.00	-16,294.00
Employee benefits expense	14,834.50	18,885.30	26,415.90
Finance costs	2,705.60	2,328.40	4,208.60
Depreciation and Amortization expense	4,475.00	4,608.40	5,962.70
Other expenses	19,623.10	28,585.30	43,702.00
<b>Total Expenses</b>	<b>2,56,560.00</b>	<b>4,15,205.60</b>	<b>5,37,859.30</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>23,124.50</b>	<b>30,744.50</b>	<b>32,326.40</b>
<b>EBITDA Margin</b>	<b>8%</b>	<b>7%</b>	<b>6%</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>18,033.60</b>	<b>28,016.20</b>	<b>25,504.70</b>
<b>Share of profit (loss) of joint venture net of tax</b>	<b>109.8</b>	<b>419.7</b>	<b>94.4</b>
<b>Profit/(Loss) before tax</b>	<b>18,143.40</b>	<b>28,435.90</b>	<b>25,599.10</b>
Tax Expense			
Current Tax	4,891.20	6,482.70	6,583.20
Short/(excess) provisions of tax of earlier years	-78.90	29.90	38.70
Deferred tax / (credit)	-208.70	529.60	-10.00
Total Tax Expense	4,603.60	7,042.20	6,611.90
<b>Profit/(Loss) for the year</b>	<b>13,539.80</b>	<b>21,393.70</b>	<b>18,987.20</b>
Net Profit Margin	4.93%	4.83%	3.37%

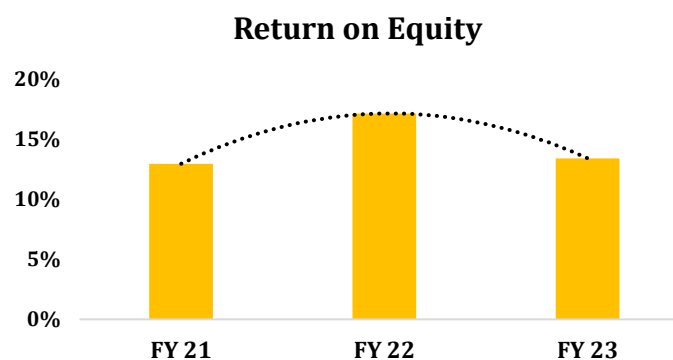
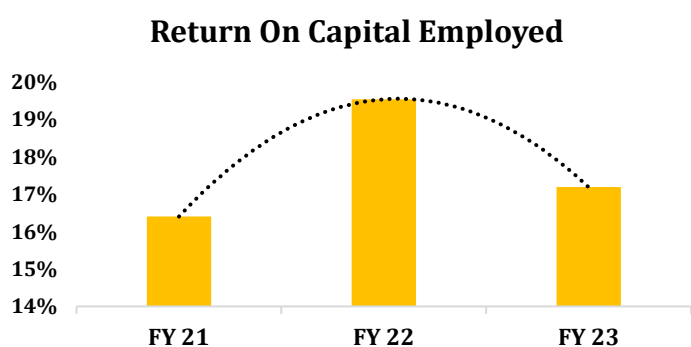
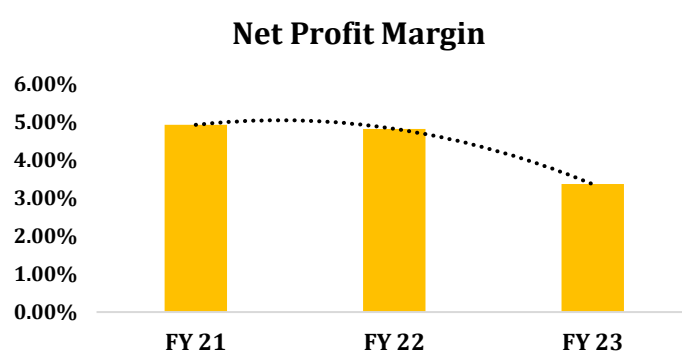
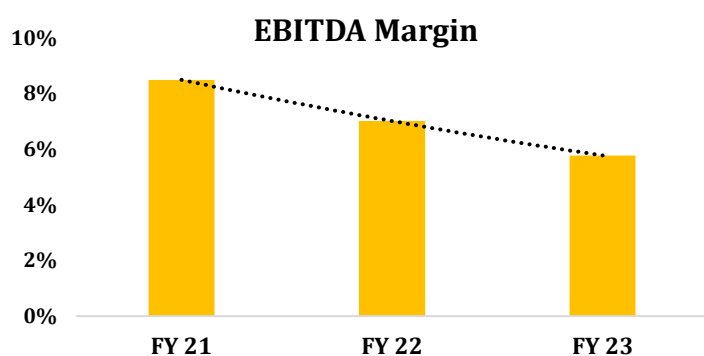
<b>Balance Sheet</b>			<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	38,599.00	38,370.60	44,882.50
Capital Work-in-progress	668.10	4,230.80	4,357.80
Right-of-use assets	814.80	1,111.70	6,184.60
Other intangible assets	527.50	366.50	648.60
Intangible assets under development	48.50	60.00	-
Investment accounted for using the equity method	1,714.30	2,163.60	1,962.90
Financial assets	-	-	-
Investments	2,345.80	4,055.70	5,810.50
Loans	9.60	5.20	28.70
Other Financial assets	159.00	217.20	357.60
Income tax assets (net)	523.50	1,337.20	1,183.40
Other non-current assets	1,433.40	659.90	3,333.50
<b>Total Non-Current assets</b>	<b>46,843.50</b>	<b>52,578.40</b>	<b>68,750.10</b>
<b>Current Assets</b>			
Inventories	53,405.60	70,962.10	86,017.70
Investments	19,602.00	20,547.40	28,492.30
Trade Receivables	42,036.40	51,714.60	59,187.30
Cash and Cash Equivalents	839.60	1,230.00	3,103.50
Bank balances other than those above	7.00	-	5,004.00
Loans	64.80	22.00	6.00

<b>Balance Sheet</b>			<b>(In Lacs)</b>
Other financial assets	347.40	1,189.70	896.90
Other current assets	8,365.10	6,820.20	11,904.30
<b>Total Current assets</b>	<b>1,24,667.90</b>	<b>1,52,486.00</b>	<b>1,94,612.00</b>
<b>Total Assets</b>	<b>1,71,511.40</b>	<b>2,05,064.40</b>	<b>2,63,362.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	2,392.40	2,392.40	4,784.80
Investments entirely equity in nature	41,518.60	41,518.60	41,518.60
Other Equity	60,752.10	81,119.30	95,666.10
<b>Total Equity</b>	<b>1,04,663.10</b>	<b>1,25,030.30</b>	<b>1,41,969.50</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	7,128.20	5,931.30	2,685.90
Lease Liabilities	526.40	822.70	5,640.50
Other financial Liabilities	-	-	212.90
Provisions	604.40	717.20	1,408.10
Deferred tax liabilities (net)	788.70	1,310.40	1,486.70
Other non-current liabilities	1.80	0.90	0.90
<b>Total Non-current liabilities</b>	<b>9,049.50</b>	<b>8,782.50</b>	<b>11,435.00</b>
<b>Current liabilities</b>			
(i) Short Term Borrowings	42,743.10	46,179.80	48,898.20
ii) Lease liabilities	306.60	325.10	819.50
(iii) Trade Payables	-	-	-
i) Due to micro and small enterprises	932.20	1,109.90	4,588.10
ii) Due to other than micro and small enterprises	10,418.10	15,677.50	39,424.80
Other financial Liabilities	1,648.20	2,404.90	3,777.20
Other Current Liabilities	1,204.20	4,154.50	9,587.20
Provisions	546.40	1,399.90	2,219.20
Income tax liabilities (net)	-	-	643.40
<b>Total Current liabilities</b>	<b>57,798.80</b>	<b>71,251.60</b>	<b>1,09,957.60</b>
<b>Total Liabilities</b>	<b>66,848.30</b>	<b>80,034.10</b>	<b>1,21,392.60</b>
<b>Total Equity and Liabilities</b>	<b>1,71,511.40</b>	<b>2,05,064.40</b>	<b>2,63,362.10</b>

<b>Cash Flow Statement</b>			<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
Net Cash Flow from Operating Activities	-7,105.70	9,817.00	45,374.60
Net Cash Flow from Investing Activities	-588.00	-6,265.50	-33,349.70
Net Cash Flow from Financing Activities	7,412.50	-3,161.10	-10,151.40

<b>Ratio Sheet</b>			
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
<b>Per Share Data</b>			
Diluted EPS	12.18	19.22	17.07
BV per share	92.78	110.83	125.85
<b>Operating Ratios (%)</b>			
EBITDA Margins	8%	7%	6%
PAT Margins	5%	5%	3%
Inventory days	71.56	59.06	56.07
Debtor days	56.33	43.04	38.58
Creditor days	17.95	16.20	34.24
<b>Return Ratios (%)</b>			
RoCE	16%	20%	17%
RoE	13%	17%	13%
<b>Valuation Ratios (x)</b>			
EV/EBITDA	6.65	5.72	5.89
Market Cap / Sales	4.29	2.66	2.09
P/E	84.98	53.85	60.63
Price to Book Value	11.16	9.34	8.22
<b>Solvency Ratios</b>			
Debt / Equity	0.48	0.42	0.36
Current Ratio	2.16	2.14	1.77
Quick Ratio	1.23	1.14	0.99
Asset Turnover	1.59	2.14	2.13
Interest Coverage Ratio	6.89	11.22	6.26

## Financial Charts



### Key Risk Factors

- The Company have had negative cash flows in prior periods and may continue to have negative cash flows in the future. The company had negative operating cash flow for the FY ended 2021.
- The Company is involved in certain legal proceedings. Any adverse decision in such proceedings may render them liable to liabilities/penalties and may adversely affect the business, financial condition, results of operations and cash flows. 208 criminal proceedings, 2 material civil litigations and 32 tax proceedings by the company amounting to Rs. 4619.30 lakhs, and 7 tax proceedings, and 1 regulatory proceeding amounting to Rs. 683.10 lakhs.
- The company have certain contingent liabilities and commitments, amounting to Rs. 12,293.30 lakhs which, if they materialize, may adversely affect the results of operations, financial condition, and cash flows.

### Track Record of Lead Manager

The lead manager to the issue is Axis Capital Limited, Citigroup Global Markets India Private Limited. HSBC Securities & Capital Markets Private Limited, and JM Financial Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Managers in recent times –

#### Axis Capital Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	TVS Supply Chain Solutions Limited	880.00	197.00	August 23, 2023	230.90
2.	SBFC Finance Limited	1,025.00	57.00	August 16, 2023	88.90
3.	Cyient DLM Limited	592.00	265.00	July 10, 2023	699.20

Axis Capital Limited has had 40 mandates in the last three fiscal years.

#### Citigroup Global Markets India Private Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Concord Biotech Limited	1,551.00	741.00	August 18, 2023	1,014.25
2.	Delhivery Limited	5,235.00	487.00	May 24, 2022	437.40
3.	Life Insurance Corporation of India (LIC)	21,008.48	949.00	May 17, 2022	674.15

Citigroup Global Markets India Private Limited has had 11 mandates in the last three fiscal years.

#### HSBC Securities & Capital Markets Private Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Nexus Select Trust	3,200.00	100.00	May 19, 2023	123.93
2.	Nuvoco Vistas Corporation Limited	5,000.00	570.00	August 23, 2021	373.80
3.	Powergrid Infrastructure Investment Trust	7,734.99	100.00	May 14, 2021	108.31

HSBC Securities & Capital Markets Private Limited has had 1 mandate in the last three fiscal years.

**JM Financial Limited -**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	TVS Supply Chain Solutions Limited	880.00	197.00	August 23, 2023	230.90
2.	Cyient DLM Limited	592.00	265.00	July 10, 2023	699.20
3.	ideaForge Technology Limited	567.29	672.00	July 07, 2023	1,014.75

JM Financial Limited has had 32 mandates in the last three fiscal years.

\*CMP for all the above-mentioned companies is taken as of 8<sup>th</sup> September 2023.

As per the offer document, 2 mandates opened at a discount and the rest all the mandates have opened at premiums on the listing date.

### Recommendation

The company has been in the industry since 1995 and has vast experience in the market. The top line of the financials has seen a consistent increase over the years, which can be sustained going forward. The overall outlook of the company is good.

The PE on an annualised and post-IPO basis is around 61.49 times which seems to be fairly priced by looking at the performance of the company and its peers. The sector P/E is 32.4 times.

The company operates in a competitive segment. The company also plays a major role in contributing 7% of the market share for the overall domestic wire and cables industry. The company has vast experience in the business and the management outlook of the company is good with the top management having vast experience in the industry. Thus, one can **APPLY** to this IPO.



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