

IPO Details		Company Background				
Opening Date	Feb 07, 2024	<ul style="list-style-type: none"> Rashi Peripherals Limited was originally incorporated in the year 1989 and has its registered office in Mumbai, Maharashtra, India. The company offers end-to-end services such as pre-sale activities, solutions design, technical support, marketing services, credit solutions and warranty management services. The company is among the leading technology-integrated national distribution partners for global technology brands in India. As of 30th September 2023, the Company had 1,433 employees on its payroll. 				
Closing Date	Feb 09, 2024					
Stock Exchange	NSE, BSE					
Lot Size	48 Shares					
Issue Price	₹ 295 to ₹ 311 per share					
Issue Size	Aggregating up to 600 Cr.					
Fresh Issue	Aggregating up to 600 Cr.					
Offer for Sale	-					
Application	Min. Inv. - ₹ 14,928 (48 shares)					
Amount (Price at Upper Band)	Max. Inv. - ₹ 1,94,064 (624 shares)					
IPO Objective		Market Capitalization (In Cr.)				
1. Repayment and/or prepayment in part or in full of certain outstanding borrowings of the Company.		Pre-Issue	Post-Issue			
2. Funding the working capital requirements of the company.		₹ 1,449	₹ 2,049			
3. General corporate purposes.		Financial Summary (In Cr.)				
		For the Period Ended	Mar-21	Mar-22	Mar-23	Sept-23
		Total Assets	1,594.39	2,670.16	2,798.60	4,058.64
		Net Assets	394.26	575.14	700.19	772.81
		Total Borrowings	488.99	881.74	1,065.76	1,395.20
		Total Revenue	5,931.74	9,321.92	9,468.95	5,473.27
		Profit After Tax	136.35	182.51	123.34	72.02
Pre-Issue Shareholding		Tentative Timeline				
Category	No. of Shares	% of Total Shares	Opening Date			Feb 07, 2024
Promoter & Promoter Group	4,17,83,490	89.65 %	Closing Date			Feb 09, 2024
Public	48,23,571	10.35 %	Basis of Allotment			Feb 12, 2024
Promoter of the Company		Initiation of Refunds			Feb 13, 2024	
1. Krishna Kumar Choudhary	Credit of Shares to Demat			Feb 13, 2024		
2. Sureshkumar Pansari	Listing Date			Feb 14, 2024		
3. Kapal Suresh Pansari						
4. Keshav Krishna Kumar Choudhary						
5. Chaman Pansari						
6. Krishna Kumar Choudhary (HUF)						
7. Suresh M Pansari HUF						
Competitive Strengths						
1. Leading and fastest-growing Indian distribution partner						
2. PAN-India and multi-channel distribution footprint backed by dedicated in-house infrastructure.						
3. Long-term relationships with marquee global technology brands						
4. Diversified and comprehensive product portfolio and solutions.						
5. Scalable business model						
6. Experienced Promoter and Management Team						
7. Consistent track record.						

Company Background and Analysis

Rashi Peripherals Limited was incorporated in the year 1989. The company offers end-to-end services such as pre-sale activities, solutions design, technical support, marketing services, credit solutions and warranty management services. The company is among the leading technology-integrated national distribution partners for global technology brands in India. The Company commenced operations with the manufacturing of peripherals and later transitioned to the distribution of Information and Communications Technology (“ICT”) products of global technology brands in India.

Business Verticals –

The company primarily operates the following two business verticals and the revenue bifurcation for the same –

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

(Amt in Cr.)

Particulars	Mar-21		Mar-22		Mar-23		Sep-23	
	Amt	(%)	Amt	(%)	Amt	(%)	Amt	(%)
PES	3,116.55	56.99	2,847.73	56.68	5,292.22	55.98	3,346.06	56.47
LIT	2,351.96	43.01	2,176.21	43.32	4,162.06	44.02	2,578.99	43.53
Total	5,468.51	100.00	5,023.94	100.00	9,454.28	100.00	5,925.05	100.00

The company has a pan-India distribution network comprising 50 branches that operate for sales and as service centres and 63 warehouses, as of September 30, 2023. Through the branches and warehouses, the company is able to cover 680 locations in India, as of September 30, 2023. As of September 30, 2023, the company is also a national distribution partner for 52 global technology brands.

The company 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, company 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.

To conclude, the company has vast experience in the industry in which the company operates. The company generates the majority of its revenue from the PES Business Vertical. The company is raising total gross proceeds of Rs. 600 Cr.

Business Strategies

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

The company intends to increase the geographic penetration of existing global technology brands into different states and in particular focus on tier II and tier III cities. The company intends to grow its share with a particular vendor and plans to engage in focused marketing activities and introduce additional programmes.

2. Diversify the product and solutions offerings and focus on emerging digitisation trends -

The Company intends to continue to expand and diversify its existing product offerings. The company aims 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. For instance, the company intends to expand further in the embedded segment and enter into new sub-segments. Further, the company intends to add printing and scanning solutions associated with the software, and endpoint security.

3. Grow the portfolio of global technology brands -

The Company intends to target global technology brands that offer enterprise-class networking and storage solutions. The company also intends to foray into the software distribution segment. In order to address new product verticals such as enterprise-class networking, storage solutions and software, the company will look to hire specialized teams with core expertise.

4. Deepen penetration across India and widen channel network -

The company intends to expand its feet-on-street to onboard additional Channel Partners. The company intends to further enhance the Channel Partner experience through CRM software that the company have implemented, which enables sales automation on a unified platform. intend to enter new markets where they are able to provide additional value by capitalizing on the robust distribution infrastructure, wide reach, channel connect and global management skills.

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

The company is to introduce additional services that capitalize on the existing technological infrastructure and digital ecosystem to provide greater value to the global technology brands and Channel Partners and capture a greater wallet share through cross-selling and upselling opportunities. The company also intends to leverage 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 global technology brands.

Competitive Scenario and Peer Mapping

Competition

The company operates in a competitive environment. The ICT distribution industry is characterized by competition based primarily on price, product and service availability, speed and accuracy of delivery, effectiveness of sales and marketing programs, credit terms and availability, ability to tailor specific solutions to customer requirements, quality and breadth of product offerings, availability of technical and product information. The company compete with other large multinational and national enterprise computing solutions distributors, as well as numerous other smaller, specialized competitors who generally focus on narrower market sectors, products, or industries. The company competes mainly in the re-selling and distribution of ICT products market. The industry has fewer barriers to entry. The bargaining power with the customers is high in the sector in which the company operates. The bargaining power with the suppliers is slightly low in the sector in which the company operates.

Peer Analysis

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

Particulars	Rashi Peripherals Limited	Redington India Limited
	31st Mar 2023	31st Mar 2023
Net Profit Margin	2.36%	1.81%
EBITDA Margin	3.73%	2.78%
Return on Capital Employed	35.49%	26.79%
Return on Equity	16.21%	20.77%
EPS (INR)	29.50	17.82

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

Particulars	Rashi Peripherals Limited	Redington India Limited
	31st Mar 2022	31st Mar 2022
Net Profit Margin	1.96%	2.10%
EBITDA Margin	3.19%	2.94%
Return on Capital Employed	37.11%	26.10%
Return on Equity	16.11%	22.73%
EPS (INR)	43.57	16.38

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

Particulars	Rashi Peripherals Limited	Redington India Limited
	31st Mar 2021	31st Mar 2021
Net Profit Margin	2.30%	1.38%
EBITDA Margin	3.52%	2.44%
Return on Capital Employed	37.79%	22.33%
Return on Equity	17.25%	15.95%
EPS (INR)	31.20	9.74

Industry Overview

Exhibit 1: Share of India's IT Spend by Value, CY 2022.

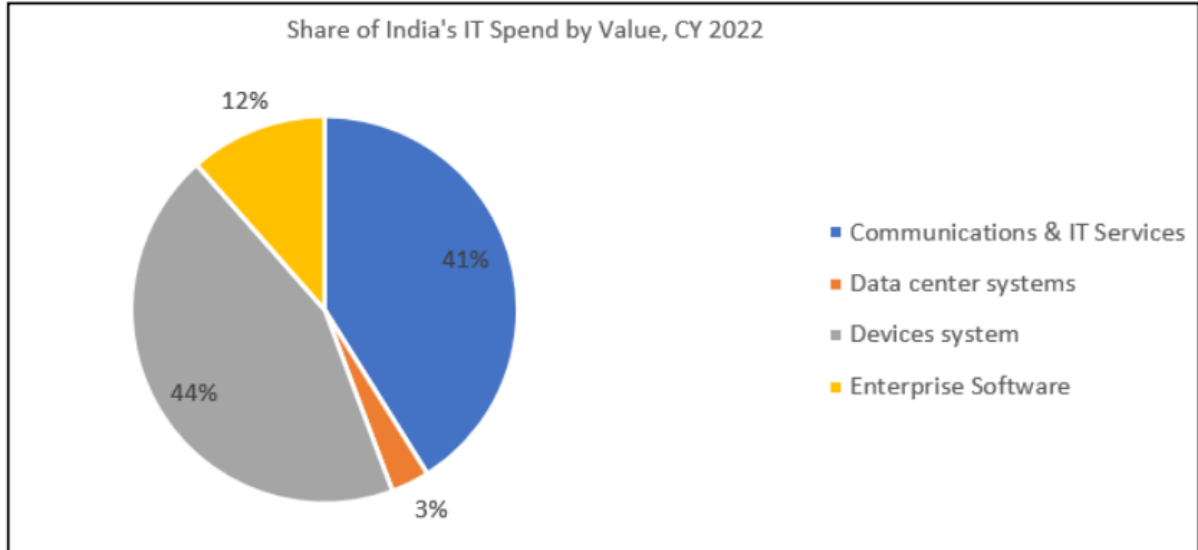
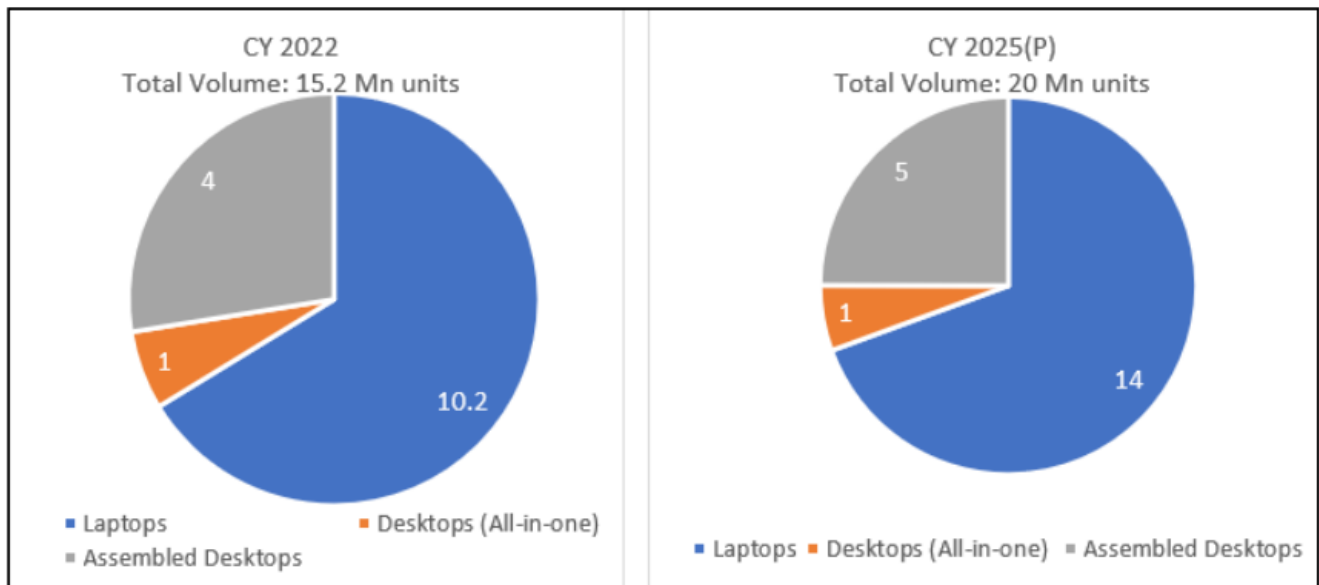


Exhibit 2: Market share of PCs (for 2022 and 2025P, by volume in million units).



(Source: prospectus)

Information and Communications Technology “ICT” Industry Overview –

With increasing penetration of internet connectivity across the geographies of rural and urban India, the number of smart phones, social media users and online shoppers in India is on the rise. Supported by various government initiatives under Digital India Initiative to strengthen the existing digital infrastructure, affordable internet services in which primacy of mobile internet as major feature of digital landscape. Digital landscape in India is evolving which is reflected in broadband internet subscribers (wireline and wireless) at 888.27 million (number of connections) as of October 31, 2023, according to TRAI press release dated January 3, 2024.

IT penetration in non-metro cities in India have increased due to penetration of smartphones, Government-enabled village knowledge centres leading to increased awareness which in turn is driving demand for ICT products for personal consumption. Non-metro cities and other rural geographies are becoming centre of consumptions for ICT products like personal computers, smartphones, internet devices, networking devices and hence there is requirement for ICT distributors and resellers having pan India presence. India is expected to grow continuously across the digital use-case funnel which will be driven by the affordability of Internet, continuous improvement of in telecommunications infrastructure, increased adoption from Tier 2+ cities and rising popularity of social media and growing trust and adoption of online payment platforms.

ICT Industry in India –

The ICT sector significantly contributes the country’s GDP, ICT sector includes value arising from Information Technology enabled Business Process Outsourcing (ITeBPO), e-commerce, domestic electronics manufacturing, digital payments, digital communication services (including telecom), etc. The role of ICT has been shifted to business model transformation and revenue growth from cost optimization and process automation. From Small and Medium Businesses (SMBs) to global organizations, companies are embracing digital transformation to achieve their business objective. Key themes driving the ICT investments include omnichannel client experience, zero touch operations, digital workplace, and digital product engineering.

Hybrid cloud adoption including cloud consulting, deployment, and management services and even more pervasive. Companies are embracing digital technologies to align their cost structures, increase business resilience, personalise experience for their customers and employees which have been accelerated because of COVID-19 pandemic. The ICT products industry witnesses intense price competition, owing to which gross margins are typically low. Globally, the Electronics and ICT products market is expected to grow at a CAGR of 14% between 2020 and 2025 and is projected to cross approximately USD 350 billion in sales by 2025. Growth in demand for storage devices, laptops, accessories, networking devices and artificial intelligence machines are expected to drive the demand for ICT products in India going forward.

(Source: Prospectus)

Key Managerial Personnel

Krishna Kumar Choudhary, aged 68 years, is one of the Promoters, Chairman and Whole-time Director of the Company. He has obtained his bachelor's degree in commerce. He has 25 years of experience in the IT distribution industry. He is also a member of the Institute of Chartered Accountants of India. He has been associated with the Company since 1997.

Sureshkumar Pansari, aged 69 years, is one of the Promoters, Vice-Chairman and Whole-time Director of the Company. He has obtained his bachelor's degree in commerce. He is also an associate member of the Institute of Chartered Accountants of India. He has 33 years of experience in the technology channel sector. He has been associated with the Company since 1989.

Kapal Suresh Pansari, aged 40 years, is one of the Promoters, and Managing Director of the Company. He has obtained his bachelor's degree in commerce. He has 15 years' experience in the technology channel sector. He has been associated with the Company since 2007.

Keshav Krishna Kumar Choudhary, aged 29 years, is one of the Promoters, and Whole-time Director of the Company. He has obtained his bachelor's degree in science with a major in electrical engineering. He has 10 years of experience in the technology sector. He has been associated with the Company since 2012.

Chaman Pansari, aged 38 years, is one of the Promoters of the company. He holds a bachelor's degree in Electronics and Telecommunication Engineering and a postgraduate diploma in management. He is associated with Sanwaria Texpro Private Limited, Elmack Engg Services Private Limited, and etc.

Yazdi Piroj Dandiwal, aged 73 years, is the Independent Director of the Company. He obtained his bachelor's degree in science and also obtained his bachelor's degree in law. He has 49 years of experience in the legal sector. He is currently on the board of directors of Century Textiles and Industries Limited, Pilani Investment and Industries Corporation Limited, Hindalco Industries Limited, and etc.

Anandkumar Radhakrishna Ladsariya, aged 66 years, is the Independent Director of the Company. He obtained his bachelor's degree of commerce in the field of Accounting and Auditing, a postgraduate diploma in Management, and has completed the broker's programme on Stock Exchange Studies from the Training and Research Institute of the Stock Exchange. He has experience in management.

Drushti Rahul Desai, aged 50 years, is the Independent Director of the Company. She obtained her bachelor's degree in commerce. She is also a member of the Institute of Chartered Accountants of India and a registered valuer in respect of securities or financial assets with the Insolvency and Bankruptcy Board of India. She has experience in the field of valuations and 25 years of experience as a member of the board of directors of several companies.

Mamidanna Prasad, aged 64 years, is the Independent Director of the Company. He obtained his bachelor's degree in commerce and master's degree in business administration. He has also completed an executive program in International Management. He has 19 years of experience as a member of the board of directors of several companies.

To conclude, the company has seven promoters, out of which there are 5 individual promoters and 2 of them are involved in management. They have vast experience in the fields directly linked to the operations and in the fields which help in the growth of the company. The remaining directors of the company also have vast knowledge and experience in the operations of the company and fields which help in the growth.

Financial Snapshot

Profit and Loss Statement					(In Cr.)
Particulars	FY 21	FY 22	FY 23	Sep-23	
Revenue from Operations	5,925.05	9,313.44	9,454.28	5,468.51	
Other Income	6.69	8.48	14.67	4.76	
Total Income	5,931.74	9,321.92	9,468.95	5,473.27	
Expenses					
Purchase of stock-in-trade	5,647.59	9,424.29	9,208.12	5,829.07	
Changes in inventories of stock-in-trade	-68.35	-626.77	-294.09	-662.87	
Employee benefits expense	78.74	114.28	136.02	73.53	
Finance Costs	28.85	53.68	86.32	53.99	
Depreciation and Amortization expense	7.51	11.69	16.67	9.06	
Other expenses	58.53	104.91	151.28	67.87	
Total Expenses	5,752.87	9,082.07	9,304.32	5,370.66	
Earnings Before Interest, Taxes, Depreciation & Amortization	208.54	296.73	252.94	160.91	
EBITDA Margin	4%	3%	3%	3%	
Profit/(Loss) before tax	178.87	239.85	164.63	102.61	
Tax Expense	-	-	-	-	
Current Tax	44.15	63.39	44.84	27.89	
Deferred Tax Expense / (credit)	-1.36	-5.55	-3.56	2.65	
Short /(Excess) provision for earlier years	-0.27	-0.51	-	0.06	
Total Tax Expense	42.52	57.34	41.28	30.59	
Profit/(Loss) for the year	136.35	182.51	123.34	72.02	
Net Profit Margin	2%	2%	1%	1%	

Balance Sheet					(In Cr.)
Particulars	FY 21	FY 22	FY 23	Sep-23	
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	52.15	58.02	53.97	56.37	
Right of use assets	0.89	3.63	15.85	13.82	
Capital work-in-progress	3.16	0.09	3.97	-	
Intangible Assets	5.12	4.35	2.74	2.25	
Goodwill	4.11	4.11	4.11	3.42	
Financial Assets	-	-	-	-	
Investments	-	7.33	5.62	4.06	
Other financial assets	22.10	28.00	9.66	12.68	
Non-current tax assets (net)	-	2.31	10.41	10.05	
Deferred Tax Assets (net)	1.71	4.43	5.86	2.07	
Other non-current assets	7.93	6.36	13.19	15.92	
Total Non-Current assets	97.16	118.62	125.37	120.65	
Current Assets					
Inventories	572.53	1,199.30	1,493.40	2,156.26	
Financial Assets	-	-	-	-	
(i) Investments	-	-	-	-	
(ii) Trade Receivables	792.38	1,152.15	871.62	1,377.53	
(iii) Cash and Cash Equivalents	28.93	45.18	34.61	18.52	

Balance Sheet					(In Cr.)
(iv) Other Bank Balances	0.02	0.02	0.02	0.02	0.02
(v) Loans	6.00	2.10	-	-	-
(vi) Other financial assets	0.25	0.11	5.19	2.11	2.11
Other current assets	97.12	152.69	268.39	383.55	383.55
Total Current assets	1,497.23	2,551.54	2,673.23	3,937.99	3,937.99
Total Assets	1,594.39	2,670.16	2,798.60	4,058.64	4,058.64
EQUITY AND LIABILITIES					
Equity					
Share Capital	1.00	20.89	20.89	20.89	20.89
Other Equity	393.26	554.25	679.30	751.92	751.92
Total equity attributable to equity holders of the company	394.26	575.14	700.19	772.81	772.81
Non-controlling interests (NCI)	2.74	3.19	-1.92	-6.79	-6.79
Total Equity	397.00	578.33	698.27	766.02	766.02
Liabilities					
Non-current liabilities					
Financial Liabilities					
(i) Borrowings	65.11	60.78	32.42	24.51	24.51
(ii) Lease liabilities	0.52	2.15	11.57	9.97	9.97
iii) Other financial liabilities	-	-	-	-	-
Provisions	0.79	2.56	1.07	1.31	1.31
Contract liabilities	0.64	1.21	1.04	3.91	3.91
Deferred tax liabilities (net)	11.38	9.90	6.82	5.25	5.25
Total Non-current liabilities	78.44	76.61	52.92	44.95	44.95
Current liabilities					
Financial Liabilities					
(i) Borrowings	423.89	820.96	1,033.34	1,370.70	1,370.70
(ii) Trade Payables	-	-	-	-	-
total outstanding dues of micro-enterprises and small enterprises	0.25	0.30	0.33	0.29	0.29
total outstanding dues of creditors other than micro-enterprises and small enterprises	663.63	1,128.14	955.83	1,831.13	1,831.13
(iii) Other Financial Liabilities	5.65	20.56	22.00	19.99	19.99
(iv) Lease Liabilities	0.42	1.72	4.78	4.60	4.60
Other current liabilities	7.79	30.47	17.42	10.68	10.68
Provisions	2.38	2.95	2.00	0.93	0.93
Current tax liabilities (Net)	9.47	0.40	0.71	0.56	0.56
Contract liabilities	5.47	9.72	11.02	8.78	8.78
Total Current liabilities	1,118.95	2,015.22	2,047.42	3,247.67	3,247.67
Total Liabilities	1,197.39	2,091.83	2,100.33	3,292.62	3,292.62
Total Equity and Liabilities	1,594.39	2,670.16	2,798.60	4,058.64	4,058.64

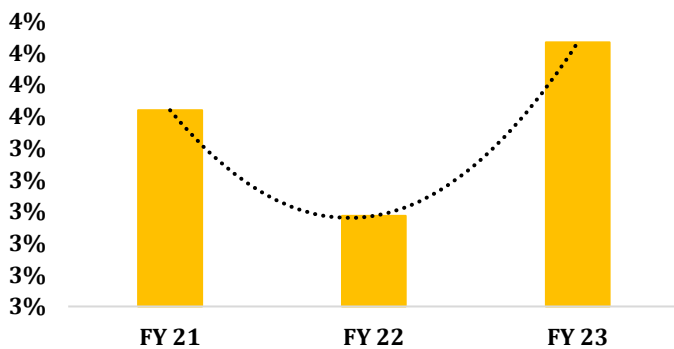
Cash Flow Statement					(In Cr.)
Particulars	FY 21	FY 22	FY 23	Sep-23	
Net Cash Flow from Operating Activities	-109.75	-315.21	-114.55	-285.67	-285.67
Net Cash Flow from Investing Activities	-0.98	-6.44	-3.81	-2.39	-2.39
Net Cash Flow from Financing Activities	134.43	337.51	107.84	272.02	272.02

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Sep-23*
Per Share Data				
Diluted EPS	31.2	43.57	29.5	23.30
BV per share	59.83	87.28	106.25	220.60
Operating Ratios				
EBITDA Margins	4%	3%	3%	3%
PAT Margins	2%	2%	1%	1%
Inventory days	35.27	47.00	57.66	72.16
Debtor days	48.81	45.15	33.65	46.10
Creditor days	42.91	43.70	37.90	57.50
Return Ratios				
RoCE	42%	44%	31%	21%
RoE	34%	32%	18%	11%
Valuation Ratios (x)				
EV/EBITDA	4.10	4.76	6.84	8.72
Market Cap / Sales	0.35	0.22	0.22	0.19
P/E	9.97	7.14	10.54	13.35
Price to Book Value	5.20	3.56	2.93	1.41
Solvency Ratios				
Debt / Equity	1.07	1.42	1.48	0.94
Current Ratio	1.34	1.27	1.31	1.21
Quick Ratio	0.83	0.67	0.58	0.55
Asset Turnover	3.72	3.49	3.38	1.35
Interest Coverage Ratio	6.97	5.31	2.74	2.81

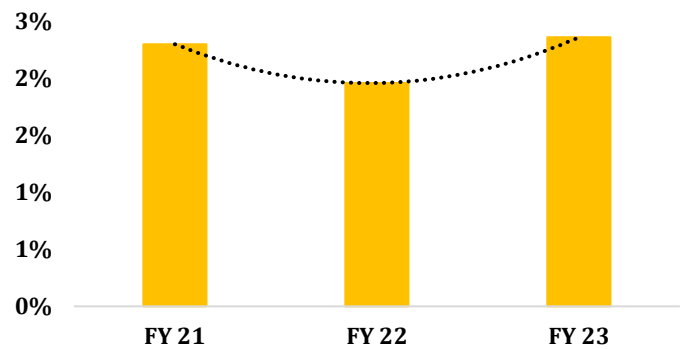
*Annualized Figures

Financial Charts

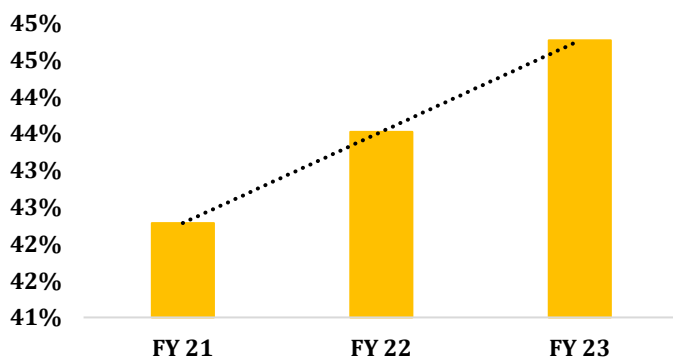
EBITDA Margin



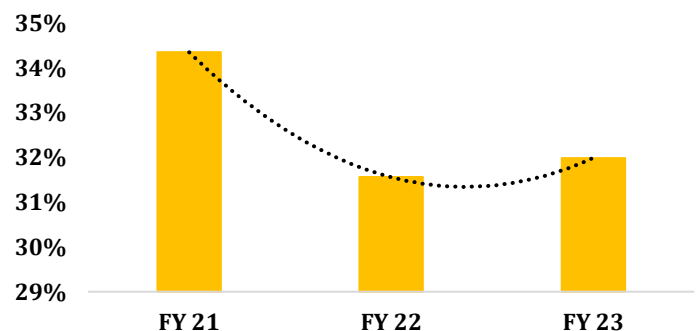
Net Profit Margin



Return On Capital Employed



Return on Equity



Key Risk Factors

1. The company's top eight global technology brands amounted to 83.15%, 82.42%, 82.11%, and 82.39% for the FY ended 2021, 2022, 2023, and the period ended September 2023. Any delay or failure on the part of such global technology brands to supply products may materially and adversely affect the business, profitability and reputation.
2. The company has had negative operating cash flow for the FY ended 2021, 2022, 2023, and the period ended September 2023. Any negative cash flows in the future would adversely affect the operations of the business.
3. The company had contingent liabilities amounting to Rs. 592.76 Cr which could adversely affect the financial condition.
4. The company, directors, promoters and subsidiaries are or may be involved in certain legal and regulatory proceedings amounting to Rs. 463.02 Cr. Any adverse decision in such proceedings may have a material effect on the business, financial condition, cash flows and results of operations.
5. One of the company's subsidiaries, ZNet Technologies Private Limited, has incurred losses for the three FY and period ended September 2022, and 2023.
6. The business is subject to seasonal and cyclical volatility due to which there may be fluctuation in the sales of products which may adversely affect the business.

Track Record of Lead Manager

The lead managers to the issue are JM Financials Limited and ICICI Securities Limited. A table has been set below highlighting the details of the IPO of the last 5 companies handled by the Lead Manager in recent times.

JM Financial Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Innova Captab Limited	570.00	448.00	December 29, 2023	533.65
2.	Happy Forgings Limited	1,008.59	850.00	December 27, 2023	981.05
3.	Muthoot Microfin Limited	960.00	291.00	December 26, 2023	240.55
4.	DOMS Industries Limited	1,200.00	790.00	December 20, 2023	1,414.15
5.	Tata Technologies Limited	3,042.51	500.00	November 30, 2023	1,098.30

The company has had 58 mandates in the past three years (including the current year)

ICICI Securities Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	EPACK Durable Limited	640.05	230.00	January 30, 2024	204.20
2.	Jyoti CNC Automation Limited	1,000.00	331.00	January 16, 2024	586.10
3.	Innova Captab Limited	570.00	448.00	December 29, 2023	533.65
4.	Azad Engineering Limited	740.00	524.00	December 28, 2023	931.00
5.	Credo Brands Marketing Limited	549.78	280.00	December 27, 2023	272.55

The company has had 22 mandates in the past three years (including the current year)

*CMP for the above-mentioned companies is taken as of 2nd February 2024.

As per the offer document, from the above-mentioned mandates, all the mandates are opened at a premium on the listing date.

Recommendation

The company has been in the industry since 1989 and thus has vast experience in the industry. The company has seen a steady increase in the top line over the years. The company faces high competition. The management outlook of the company is satisfactory.

The P/E on a post-IPO and annualized basis is around 13.35 times which makes it fairly priced by looking at the performance of the company and its peers. The Sector P/E is 39.00 times.

The company is one of the leading ITC Distributors in India. The company has a PAN-India presence and has multi-channel distribution. The company also has strategies planned out for the future growth of the company. However, the company has also had negative operating cash flow for three FYs, the profitability margins have fallen for FY 2023 which is not very attractive for the company, and operates in a highly competitive sector. Thus, we recommend **AVOID** to this IPO.



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