



Bharti Hexacom Limited

IPO Note

Recco - **AVOID**



IPO Details		Company Background				
Opening Date	Apr 03, 2024	<ul style="list-style-type: none"> Bharti Hexacom Limited was originally incorporated in the year 1995 and has its registered office in Vasant Kunj, New Delhi, India. The company is a communications solutions provider offering consumer mobile services, fixed-line telephone and broadband services to customers in the Rajasthan and the Northeast telecommunication circles in India, which comprises the states of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. The company offer its services under the brand 'Airtel'. As of December 31st, 2023, the Company had 422 employees on its payroll. 				
Closing Date	Apr 05, 2024					
Stock Exchange	BSE, NSE					
Lot Size	26 Shares					
Issue Price	₹542 to ₹570 per share					
Issue Size	Aggregating up to 4,275 Cr.					
Fresh Issue	-					
Offer for Sale	Aggregating up to 4,275 Cr.					
Application	Min. Inv. - ₹ 14,820 (26					
Amount (Price at Upper Band)	shares) Max. Inv. - ₹ 1,92,660 (338 shares)					
IPO Objective						
1. To carry out the Offer for Sale of up to 75,000,000 Equity Shares by the Selling Shareholder.						
2. Achieve the benefits of listing the Equity Shares on the Stock Exchanges.						
Pre-Issue Shareholding		Market Capitalization		(In Cr.)		
Category	No. of Shares	Pre-Issue	Post-Issue			
Promoter & Promoter Group	35,00,00,000	₹ 28,500	₹ 28,500			
Public	15,00,00,000					
		% of Total Shares				
		70.00%				
		30.00%				
Promoter of the Company		Financial Summary (In Cr.)				
1. Bharti Airtel Limited		For the Period Ended	Mar-21	Mar-22	Mar-23	Dec-23
		Total Assets	15,003.50	16,674.3	18,252.9	19,603.0
		Net Assets	1,986.00	3,660.50	4,209.50	4,416.10
		Total Borrowings	5,975.20	7,198.30	6,269.30	4,974.90
		Total Revenue	4,704.30	5,494.00	6,719.20	5,420.80
		Profit After Tax	-1,033.9	1,674.60	549.20	281.80
Competitive Strengths		Tentative Timeline				
1. Established Leadership and a Large Customer Base in the area of operations.		Opening Date	Apr 03, 2024			
2. Presence in Markets with High Growth Potential.		Closing Date	Apr 05, 2024			
3. Strong Parentage and Established Brand.		Basis of Allotment	Apr 08, 2024			
4. Building a Future Ready Network.		Initiation of Refunds	Apr 10, 2024			
5. Extensive Distribution and Service Network.		Credit of Shares to Demat	Apr 10, 2024			
6. Experienced management team.		Listing Date	Apr 12, 2024			

**Company Background and Analysis**

Bharti Hexacom Limited was incorporated on April 20, 1995. The company is a communications solutions provider offering consumer mobile services, fixed-line telephone and broadband services to customers in the Rajasthan and the Northeast telecommunication circles in India, which comprises the states of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. The company offer the services under the brand 'Airtel'.

The company has a distribution and service network across the regions it operates in and during the nine months that ended December 31, 2023, and the last three Fiscals, the company have set up 51 retail outlets and 24 small format stores to reach 90 cities. As of December 31, 2023, the distribution network comprised 616 distributors and 89,454 retail touchpoints.

Airtel owns 70% of the outstanding equity share capital, as of the date of this Red Herring Prospectus. The Government of India through Telecommunications Consultants India Limited ("TCIL") owns 30% of the outstanding equity share capital. As of December 31, 2023, the company utilized 24,874 network towers, of which they owned 5,092 towers, and the remaining 19,782 towers were leased from tower companies.

The company's service portfolio is as follows –

1. Mobile Telephone Services – The company offers pre-paid and post-paid wireless voice services and data communication services (including 2G, 4G and 5G offerings), and international roaming of voice and data services.
2. Fixed line and broadband services – The company offers fixed-line telephone and broadband services to households, including through partnerships with local cable operators. product portfolio comprises high-speed broadband with speeds of up to 1 Gbps offered as Airtel Xstream Fibre. These services include broadband internet and local, national and international long-distance telephone services provided through wire-line connectivity to customers.

The company's network partners are bifurcated into Active Network Partners and Passive Infrastructure Partners. Active network partners include equipment supply contracts and service contracts. Passive Infrastructure Partners include the passive infrastructure located at each such site, including but not limited to the tower, shelter room to house the equipment, diesel generator sets, etc.

Revenue bifurcation as per Major products/ service lines are as follows -

(Amt in Cr)

Particulars	Mar-21		Mar-22		Mar-23		30-Dec-23	
	Amt	%	Amt	%	Amt	%	Amt	%
Data and Voice Services	4,498.60	97.75	5,299.70	98.05	6,466.50	98.29	5,133.10	98.30
Others	103.70	2.25	105.50	1.95	112.50	1.71	88.70	1.70
Total	4,602.30	100.00	5,405.20	100.00	6,579.00	100.00	5,221.80	100.00

To conclude, the company has vast experience in the industry in which the company operates. The company is a subsidiary of the brand "Airtel". The company along with Airtel and its affiliates provide "Airtel Black" which is an all-in-one solution for households that combines mobility, broadband, fixed line and digital TV services. The company's majority of the revenue is recognized after the service is transferred over time. The company generates most of its revenue from Data and Voice Services and from inside India.



Business Strategies

1. Grow the revenue by focusing on acquiring and retaining quality customers –

The company's strategy is to premiumise the portfolio with continuous upgrades from 2G to 4G/5G customers, upgrading customers within the 4G plans for higher data packs, pre-paid to post-paid upgrades, contextual data monetisation, and converged offerings.

2. Expand the Network Coverage –

The company continues to expand its network coverage across the regions in which it operates with a focus on key revenue-generating cities and high-value catchment areas to increase the customer base and enhance customer experience.

3. Deliver Brilliant Customer Experience through an Omnichannel Approach and Extensive use of data science –

The Company is focusing on 'interactions' to gauge the quality of experience for customers as they believe that any interaction, whether on social media, on the web, on the application, in the call centre, on email or in the store, is a signal of customer grievance. The company is deploying Massive Multiple-Input Multiple-Output ("MIMO") technology-based solutions for building the 5G network. The company is also deploying lean site solutions to further strengthen the coverage and capacity at high footfall hotspots to continuously improve the end-user experience.

4. Improve the Cost Efficiencies –

The company seeks to achieve cost-efficiency objectives without compromising on the quality of the services, network, and people. The company aims to maintain an efficient capital structure with high balance sheet flexibility. The company seeks to continue to manage borrowing costs with a focus on cost-effective financing structures, including the repayment tenors and the balance between fixed and floating rate instruments.

**Competitive Scenario and Peer Mapping****Competition**

The telecommunication industry in India has gone through a stage of consolidation. The company operates in a competitive atmosphere yet is one of the top three players consisting of Airtel, Reliance Jio Infocomm Limited and Vodafone Idea Limited which hold approximately 92% customer share in the Indian wireless telecom market as of December 31, 2023. The company faces competition from public Wi-Fi providers and providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. The entry barriers are moderate in the industry in which the company operates. The industry in which the company is operating has a high risk of threat of substitutes which further intensifies the competition on being a dominant player in the telecommunication industry.

Peer Analysis

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

Particulars	Bharti Hexacom Limited	Vodafone Idea Limited	Reliance Jio Infocomm Limited	Bharti Airtel Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	8.35%	-68.96%	20.05%	5.93%
EBITDA Margin	42.34%	40.26%	51.81%	51.33%
Return on Capital Employed	17.73%	-4.04%	7.47%	11.12%
Return on Equity	6.72%	-7.50%	24.65%	62.61%
EPS (INR)	10.98	-7.25	1.07	14.08

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

Particulars	Bharti Hexacom Limited	Vodafone Idea Limited	Reliance Jio Infocomm Limited	Bharti Airtel Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	30.98%	-72.71%	19.25%	3.49%
EBITDA Margin	69.66%	42.04%	49.18%	50.96%
Return on Capital Employed	30.43%	-5.46%	8.87%	11.77%
Return on Equity	23.68%	45.58%	16.71%	52.02%
EPS (INR)	33.49	-9.28	0.87	7.41

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

Particulars	Bharti Hexacom Limited	Vodafone Idea Limited	Reliance Jio Infocomm Limited	Bharti Airtel Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	-22.46%	-99.07%	1.11%	-13.42%
EBITDA Margin	15.44%	-5.86%	10.50%	36.54%
Return on Capital Employed	2.58%	-19.15%	8.00%	5.01%
Return on Equity	-27.78%	115.71%	21.26%	-262.25%
EPS (INR)	-20.68	-15.39	0.71	-27.05



Industry Overview

Exhibit 1: Global Rank

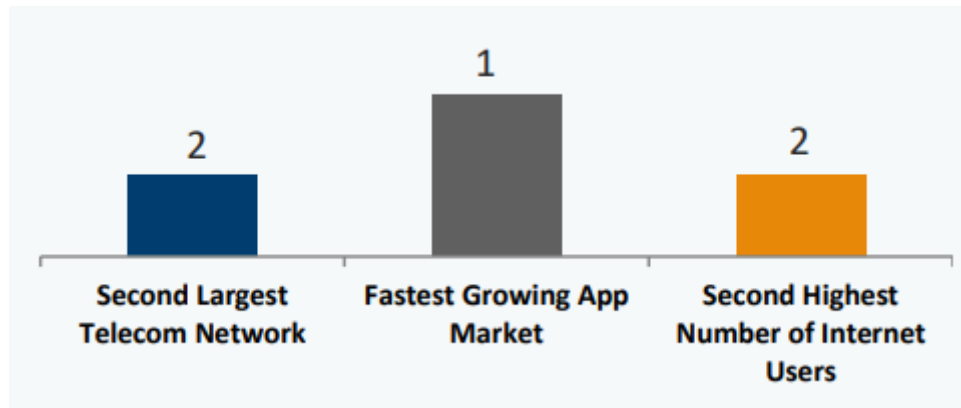
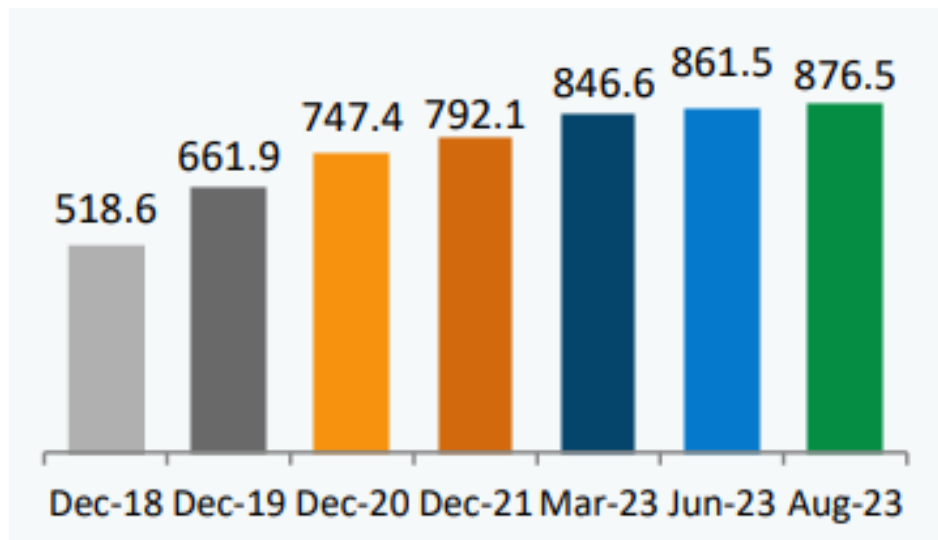


Exhibit 2: Broadband Subscribers (million)



(Source: ibef.org)



Assessment of the Indian Telecom Industry -

Telecommunication has been playing a pivotal role in country's economic growth. It is the backbone of many industries, including e-commerce, media and entertainment, finance, information and technology (IT), healthcare, transportation, and logistics. The sector facilitates seamless movement of data worldwide through wired or wireless channels and significantly influences economic progress. The telecom market is constantly evolving with integration of cutting-edge technologies over the years. This has widened the coverage of telecom services globally and made them an indispensable part of the daily lives of consumers. Telecom proved to be an essential service, especially during the Covid-19 pandemic, by enabling people to remain connected amid worldwide lockdowns.

The telecom industry mainly comprises wireless services, or mobile services, and wireline services, or fixed-line services. In India, wireless services accounted for 97.3% of total telecom customers and wireline services for the remaining 2.7% as of the nine months of Fiscal 2024. A regulated environment, high capital requirements and dominance of existing players in a consolidated market deter new players from entering the telecom industry.

In India, spectrum auctions are held for 22 telecom circles and a telecom company needs to acquire spectrum in each circle to provide comprehensive coverage to its consumers. Operators also need to acquire a unified license with authorisations for access services in each circle before they participate in auctions. So, if a new telecom company plans to launch services in a particular region, it will have to buy both spectrum and a licence for the entire circle. Further, it would have to either wait for spectrum auction or acquire a telecom company with a spectrum portfolio. Currently, acquisition costs are prohibitive given significant consolidation in the domestic industry.

Telecom players require substantial capital to purchase spectrum through government auctions and establish and maintain their network infrastructure. Further, the telecom industry remains susceptible to rapid technological changes, necessitating fresh investments or significant overhaul of existing networks. The industry spent ₹ 1,500 billion during the 5G auction in 2022, with Reliance Jio, Bharti Airtel and Vodafone Idea accounting for ₹ 800.8 billion, ₹ 430.4 billion and ₹ 188.0 billion, respectively.

Further, Indian telecom operators have spent nearly ₹ 3,000 billion since 2014 to acquire spectrum across various bands. The telecom sector has low average asset turnover ratio of 0.3 times (Fiscals 2020-23), indicating high capex requirements on a sustained basis. Capex intensity is high and estimated at approximately 30% of total revenue in Fiscal 2023 and approximately 25% in Fiscals 2024 and 2025. Even network opex was 25-30% of revenue based on data collated for industry players over Fiscals 2021-2023. Thus, the telecom industry's high capital intensity acts as a strong entry barrier for new entrants.

India is the second largest telecom market globally, with 1,143.9 million wireless customers in Fiscal 2023, behind China with 1,781 million wireless customers in 2022. India has emerged as one of the fastest growing wireless telecom markets among the top five and other emerging global markets. The number of wireless telecom customers in the country increased at a CAGR of approximately 2.6% between Fiscals 2014 and 2023 to 1,143.9 million (2.9% CAGR between 2013 and 2022).

(Source: prospectus)



Key Managerial Personnel

Bharti Airtel Limited is the Promoter of the Company. Airtel is engaged in the business of telecommunications services.

Jagdish Saksena Deepak, aged 65 years, is the Chairperson of the Company. He completed his post-graduate diploma in management. Prior to joining the Company, he was an Indian Administrative Service officer and served as the Ambassador / Permanent Representative of India to the World Trade Organisation, Geneva. He has over 38 years of experience in administration services in various Ministries of the Government of India.

Devendra Khanna, aged 63 years, is the Non-executive Director of the Company. He is an associate member of the Institute of Chartered Accountants of India. In the past, he has been associated with Triveni Engineering & Industries Limited. He is currently the joint managing director at Bharti Enterprises. He has over 35 years of experience inclusive of over 19 years of experience in the telecommunication sector.

Soumen Ray, aged 50 years, is the Non-Executive Director of the Company. He holds a bachelor's degree in commerce (honours). He is an associate member of the Institute of Chartered Accountants of India. He is currently the chief financial officer of Bharti Airtel Limited and has experience in various sectors including FMCG, telecommunication, automotive manufacturing and media.

Sanjeev Kumar, aged 57 years, is the Non-Executive Director of the Company. He holds a bachelor's degree in technology, a master's degree in engineering and a master's degree in business administration (public system management). He is currently the chairman and managing director of TCIL. He has over 33 years of experience in the telecommunication sector.

Surajit Mandal, aged 52 years, is the Non-Executive Director of the Company. He holds a bachelor's degree in electronics & telecommunication engineering and a postgraduate diploma in management. He is currently the director (finance) of TCIL. He has over 28 years of experience in the telecommunication sector.

Ashok Tyagi, aged 70 years, is the Independent Director of the Company. He holds a bachelor's degree in science and is a fellow member of The Institute of Company Secretaries of India. He also has been awarded a post-diploma in company secretaryship (part-time). He has over 17 years of experience practising as a company secretary.

Arvind Kohli, aged 62 years, is the Independent Director of the Company. He holds a bachelor's degree in commerce and a diploma in intellectual property rights law. He is a member of the Indian Council of Arbitration, Institute of Company Secretaries of India and All India Management Association. He has over 25 years of experience practising as a company secretary.

Arun Gupta, aged 48 years, is the Independent Director of the Company. He holds a bachelor's degree in law, is an associate member of The Institute of Company Secretaries of India and is also registered as an insolvency professional with the Insolvency and Bankruptcy Board of India.

Nalina Suresh, aged 53 years, is the Independent Director of the Company. She was awarded the degree of rashtra bhasha Praveen by Dakshina Bharat Hindi Prachar Sabha, Tamil Nadu and also holds a postgraduate diploma in personnel management and industrial relations. She has experience in various sectors across industries and in consulting.



Bharti Hexacom Limited

IPO Note

Recco - **AVOID**



Kapal Kumar Vohra, aged 65 years, is the Independent Director of the Company. He holds a bachelor's degree in commerce, a master's degree in arts, and a master's degree in business administration and has completed a postgraduate diploma in international trade. He also holds a master's degree in business administration and has an honorary fellowship from the Indian Institute of Banking and Finance. He has over 40 years of experience in the banking and regulatory sectors.

To conclude, the company has one promoter named Bharti Airtel Limited. The Directors of the company have vast experience in the industry in which the company operates in and in the fields which help in the growth of the business.



Financial Snapshot

Profit and Loss Statement					(In Cr.)
Particulars	FY 21	FY 22	FY 23	Dec-23	
Revenue from Operations	4,602.30	5,405.20	6,579.00	5,220.80	
Other Income	102.00	88.80	140.20	200.00	
Total Income	4,704.30	5,494.00	6,719.20	5,420.80	
Expenses					
Network operating Expenses	1,427.90	1,486.20	1,586.30	1,228.50	
Access charges	1,345.40	1,133.10	983.30	539.40	
License fee/Spectrum charges	437.90	571.80	632.90	479.20	
Employee benefits expenses	76.30	76.40	90.30	79.40	
Finance Costs	516.60	571.80	638.80	478.70	
Depreciation and amortisation expenses	1,285.20	1,441.00	1,553.30	1,279.40	
Sales and Marketing Expenses	141.00	199.30	306.70	279.50	
Other expenses	121.40	124.40	193.80	131.40	
Total Expenses	5,351.70	5,604.00	5,985.40	4,495.50	
Earnings Before Interest, Taxes, Depreciation & Amortization	710.70	3,765.10	2,785.70	2,180.40	
EBITDA Margin	15.44%	69.66%	42.34%	41.76%	
Profit before exceptional and extraordinary items and tax	-647.40	-110.00	733.80	925.30	
Exceptional items	341.70	-1,951.10	-	303.00	
Profit/(Loss) before tax	-989.10	1,841.10	733.80	622.30	
Tax Expense					
Current Tax	-	-2.70	-	386.40	
Deferred Tax Expense / (credit)	44.80	169.20	184.60	-45.90	
Total Tax Expense	44.80	166.50	184.60	340.50	
Profit/(Loss) for the year	-1,033.90	1,674.60	549.20	281.80	
Net Profit Margin	-21.98%	30.48%	8.17%	5.20%	

Balance Sheet					(In Cr.)
Particulars	FY 21	FY 22	FY 23	Dec-23	
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	3,905.40	3,840.00	4,070.80	4,263.20	
Capital work-in-progress	70.70	64.10	456.30	1,057.10	
Right of Use Assets	1,476.10	1,632.40	2,639.00	2,806.60	
Intangible assets	4,922.20	4,761.20	4,464.30	4,198.20	
Intangible assets under development	-	-	1,479.70	1,549.00	
Financial Assets	-	-	-	-	
(iii) Other Finance Assets	432.40	446.30	529.00	479.40	
Income tax Assets (Net)	294.60	305.20	324.90	203.80	
Deferred Tax Asset (Net)	1,116.60	947.40	762.90	808.90	
Other non-current assets	766.00	655.40	628.40	510.60	
Total Non-Current assets	12,984.00	12,652.00	15,355.30	15,876.80	
Current Assets					
Financial Assets					
(i) Investments	-	49.00	1,046.00	1,835.80	
(ii) Trade Receivables	142.90	2,095.80	148.90	231.60	



Balance Sheet					(In Cr.)
(iii) Cash and Cash Equivalents	27.70	88.50	55.50	24.70	
(iv) Other Bank Balances	31.50	32.40	33.20	34.20	
(vi) Other financial assets	798.80	878.70	911.90	974.30	
Current Tax Assets (net)	-	-	-	-	
Other current assets	1,018.60	877.90	702.10	625.60	
Total Current assets	2,019.50	4,022.30	2,897.60	3,726.20	
Total Assets	15,003.50	16,674.30	18,252.90	19,603.00	
EQUITY AND LIABILITIES					
Equity					
Share Capital	250.00	250.00	250.00	250.00	
Other Equity	1,736.00	3,410.50	3,959.50	4,166.10	
Total Equity	1,986.00	3,660.50	4,209.50	4,416.10	
Liabilities					
Non-current liabilities					
Financial Liabilities					
(i) Borrowings	3,692.60	4,807.80	4,729.90	2,692.30	
(ii) Lease liabilities	1,311.90	1,530.30	2,545.10	2,763.50	
Other financial liabilities	0.30	0.30	-	78.70	
Deferred revenue	503.00	474.60	602.90	634.80	
Provisions	21.00	21.80	23.40	22.40	
Total Non-current liabilities	5,528.80	6,834.80	7,901.30	6,191.70	
Current liabilities					
Financial Liabilities					
(i) Borrowings	2,282.60	2,390.50	1,539.40	3,560.70	
(ii) Lease Liabilities	486.40	339.80	389.20	415.70	
(iii) Trade Payables	-	-	-	-	
-total outstanding dues of micro enterprises and small enterprises	3.10	2.00	2.60	5.60	
-total outstanding dues of creditors other than micro enterprises and small enterprises	2,220.90	1,493.20	1,438.00	1,629.10	
(iv) Other Financial Liabilities	1,003.40	376.00	1,026.10	1,001.20	
Deferred revenue	358.00	416.60	474.90	495.50	
Provisions	958.30	1,025.60	1,103.20	1,174.6	
Current tax liabilities (Net)	69.20	62.40	62.40	620.80	
Other current liabilities	106.80	72.90	106.30	92.00	
Total Current liabilities	7,488.70	6,179.00	6,142.10	8,995.20	
Total Liabilities	13,017.50	13,013.80	14,043.40	15,186.90	
Total Equity and Liabilities	15,003.50	16,674.30	18,252.90	19,603.00	

Cash Flow Statement					(In Cr.)
Particulars	FY 21	FY 22	FY 23	Dec-23	
Net Cash Flow from Operating Activities	1,517.20	1,258.00	5,108.40	2,930.30	
Net Cash Flow from Investing Activities	-882.50	-1,382.50	-2,030.90	-2,275.60	
Net Cash Flow from Financing Activities	-604.20	183.10	-3,111.40	-682.40	

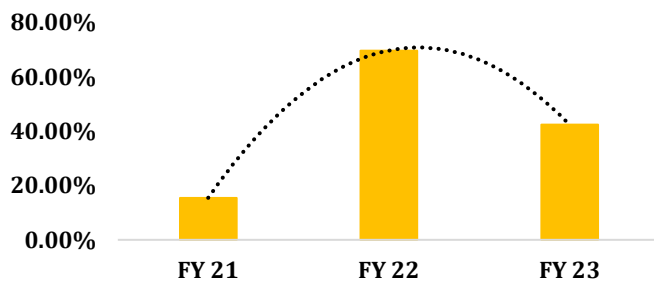


Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Dec-23
Per Share Data				
Diluted EPS	-20.68	33.49	10.98	13.93
BV per share	39.72	73.21	84.19	98.12
Operating Ratios				
EBITDA Margins	15.44%	69.66%	42.34%	43.21%
PAT Margins	-21.98%	30.48%	8.17%	9.63%
Debtor days	11.33	141.52	8.26	12.20
Return Ratios				
RoCE	-8%	22%	10%	23%
RoE	-52%	46%	13%	14%
Valuation Ratios (x)				
EV/EBITDA	11.16	2.86	3.74	3.54
Market Cap / Sales	6.19	5.27	4.33	4.09
P/E	-27.56	17.02	51.91	40.93
Price to Book Value	14.35	7.79	6.77	5.81
Solvency Ratios				
Debt / Equity	3.01	1.97	1.49	0.85
Current Ratio	0.27	0.65	0.47	0.41
Quick Ratio	0.27	0.65	0.47	0.41
Asset Turnover	0.31	0.32	0.36	0.27
Interest Coverage Ratio	-1.11	4.06	1.93	1.88

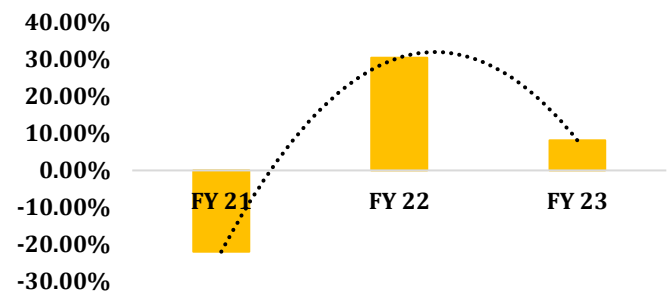
*Annualized Figures

Financial Charts

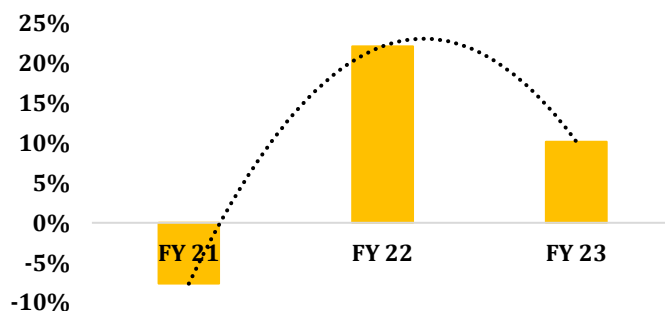
EBITDA Margin



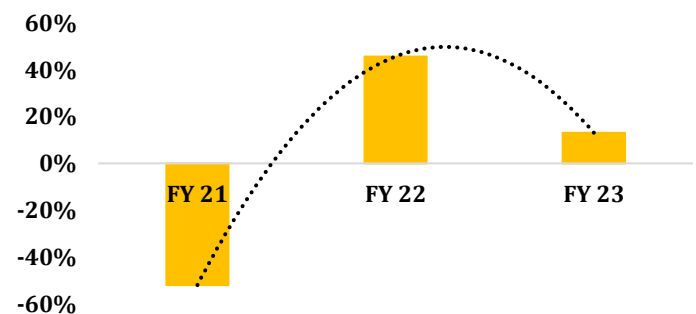
Net Profit Margin



Return On Capital Employed



Return on Equity





Key Risk Factors

1. There are outstanding legal proceedings involving the Promoter, in addition to the Company amounting to Rs. 39,409 Cr. Any adverse outcome in any of these proceedings may adversely affect the reputation, business, financial condition and results of operations.
2. The company has contingent liabilities amounting to Rs. 275.3 Cr. It could adversely affect the business, financial condition and results of operations.
3. The company have been and continues to be, involved in material legal proceedings involving the e-telecom service providers for correction of errors in the Adjusted Gross Revenue ("AGR") demands, which were dismissed by the Supreme Court. The matter is pending adjudication before the Supreme Court.
4. The company has incurred a loss during the FY 2021.

**Track Record of Lead Manager**

The lead managers to the issue are SBI Capital Markets, Axis Capital, BobCapital Markets, ICICI Securities, and Iifl Securities Limited. A table has been set below highlighting the details of the IPO of the last 10 companies handled by the Lead Manager in recent times –

SBI Capital Markets Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	R K Swamy Limited	423.56	288.00	March 12, 2024	273.00
2.	Entero Healthcare Solutions Limited	1,600.00	1,258.00	February 16, 2024	985.00
3.	Jana Small Finance Bank Limited	570.00	414.00	February 14, 2024	411.00

SBI Capital Markets Limited has had 25 mandates in the last three years.

Axis Capital Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Gopal Snacks Limited	650.00	401.00	March 14, 2024	357.80
2.	Jana Small Finance Bank Limited	570.00	414.00	February 14, 2024	411.00
3.	Apeejay Surrendra Park Hotels Limited	920.00	155.00	February 12, 2024	190.30

Axis Capital Limited has had 54 mandates in the last three years.

BobCapital Markets Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Indian Renewable Energy Development Agency Limited	2,150.21	32.00	November 29, 2023	135.90
2.	IRM Energy Limited	545.40	505.00	October 26, 2023	469.30
3.	Chemplast Sanmar Limited	3,850.00	541.00	August 24, 2021	450.00

BobCapital Markets Limited has had 5 mandates in the last three years.

ICICI Securities Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Popular Vehicles and Service Limited	601.55	295.00	March 19, 2024	249.50
2.	Bharat Highways Infrastructure Investment Trust	2,500.00	100.00	March 12, 2024	110.00
3.	Juniper Hotels Limited	1,800.00	360.00	February 28, 2024	517.55

ICICI Securities Limited has had 63 mandates in the last three years.

**Iifl Securities Limited -**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	R K Swamy Limited	423.56	288.00	March 12, 2024	273.00
2.	Bharat Highways Infrastructure Investment Trust	2,500.00	100.00	March 12, 2024	110.00
3.	Medi Assist Healthcare Services Limited	1,171,58	418.00	January 23, 2024	505.65

Iifl Securities Limited has had 44 mandates in the last three years.

*CMP for the above-mentioned companies is taken as of 28th March 2024.

As per the offer document from the above-mentioned mandates Apeejay Surrendra Park Limited, IREDA, Bharat Highway Infrastructure Investment Trust, Juniper Hotels Limited and Medi Assist Healthcare Services Limited have opened at a premium and the remaining mandates have opened at a discount on the listing date.



Recommendation

The company has been in the industry since 1995 and thus has vast experience in the industry. The company has seen an increasing trend in its top-line financials. The company's management overview is good.

The P/E on a post-IPO and annualized basis is around 40.93 times which makes it highly priced by looking at the performance of the company and its peers. The Sector P/E is 59.5 times.

The company operates in the business of communications solutions provider. The company has not seen a proper trend in the bottom line of its financials. The company is also planning to expand its geographical network. The company has certain material litigations which may affect future growth if materialized details of which are given in the risk factor of this report. The company is not raising any fresh issues and is going IPO to purely enjoy the benefits of getting listed on the stock exchange. Thus, at the current P/E, we believe one can **AVOID** this IPO.



Bharti Hexacom Limited

IPO Note

Recco - **AVOID**



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