

Issue Highlights

Issue Open	October 4, 2022
Issue Close	October 7, 2022
Issue Price	Rs. 56 - Rs. 59 Per Share
Total Issue Size	Rs. 500 Cr
Of which	
Fresh Issue	Rs. 500 Cr
Face Value	Rs. 10 Per share
Market Lot	254 Equity Shares
Issue Type	Book Built Issue

Offer Structure

QIB Category	50%
Retail category	35%
Non-Institutional	15%

Lead Book Running Managers

- ⇒ Anand Rathi Advisor Ltd.
- ⇒ IIFL Securities Ltd.
- ⇒ JM Financial Ltd.

Registrar To The Offer

- ⇒ KFin Technologies Pvt. Ltd

Key Highlights

- ❑ **Company Background:** Electronics Mart India Ltd (EMI) is the 4th largest and one of the fastest growing consumer durables and electronics retailers in India and as of FY21. They are the largest regional organized player in the southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh. As on August 31, 2022, it had 112 stores across 36 cities with a retail business area of 1.12 million sq. ft.
- ❑ **Flexible business model:** EMI have a flexible business model wherein they own or lease property according to the availability, cost and area. The company's strategy is to build a brand in the given area as well as build long term relationships with customers. Besides, this model will also help in optimizing cost and improve profitability.
- ❑ **Diversified product portfolio:** EMI offers their customers a wide product range across multiple categories, brands, price points to ensure that their customers have a range of product options to choose from and is able to make the value buy decision. Also they ensure that latest products and new launches are available in their stores. Further, they classify products internally into three broad categories such as large appliances, mobiles, and small appliances, IT and others. They earn ~54% from large appliances, followed by mobiles which contribute 31% while small appliances, IT and Others are remaining 15%.
- ❑ **Increasing market presence and geographic reach with cluster-based expansion:** EMI follows a cluster based approach wherein they expand their network in the particular market until they reach substantial depth & scale. With this approach, the company will be able to increase penetration, cater to the demand of the target customers as well as increase brand presence in the particular market.
- ❑ **Plans going ahead:** EMI aim is to expand footprints in existing markets as well as across select geographies. Besides, their focus remains on increasing revenue by launching value for money products as well as maintaining standards of existing products. Apart from this, their focus is on building a team and retaining manpower, so their aim is to identify fresh talent, train & groom them and provide opportunities for growth.
- ❑ **Financials:** On a financial front, the company's revenue/PAT grew by 17%/8% CAGR between FY20-22.
- ❑ **Risk:** 1) Competition intensity is high across industry 2) High concentration in the south region.

Research Analyst

Nirvi Ashar, MBA

nirvi.ashar@religare.com

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Statements on ownership and material conflicts of interest, compensation– Research Analyst (RA)

[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) below, are given separately]

S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No

	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No

	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above, are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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