



IPO DETAILS

Radiant Cash Management Services Limited



Issue Opens

23rd December 22, Fri

Issue Closes

27th December 22, Tue

Min. Lot Size

150 Shares

Issue Price Band

₹94 - ₹99

Industry

Cash Management

Issue Size

Fresh Issue:
6.06 Mn Eq Shares
(₹600.00 Mn)

OFS:

33.13 Mn Eq Shares
(₹3,279.38 Mn)

Face Value

₹1

Listing at

NSE, BSE

Rationale

Considering the FY-22/FY-23 annualized EPS of Rs.3.56/5.71 on a post-issue basis, the company is going to list at a P/E of 27.81x/17.34x with a market cap of Rs.10,624 mn. while its peers namely CMS Info Systems Ltd. and SIS Ltd. are trading at a P/E of 18.65x and 16.61x.

We assign a "Subscribe" rating to this IPO as the company is a leading integrated cash logistics player in a consolidating industry present across the value chain of retail cash management. Also, it is available at reasonable valuations as compared to its peers.

Objectives of the issue

Funding working capital requirements.

Funding of capital expenditure requirements for the purchase of specially fabricated armoured vans.

General corporate purposes.

Rating

SUBSCRIBE

APPLY NOW

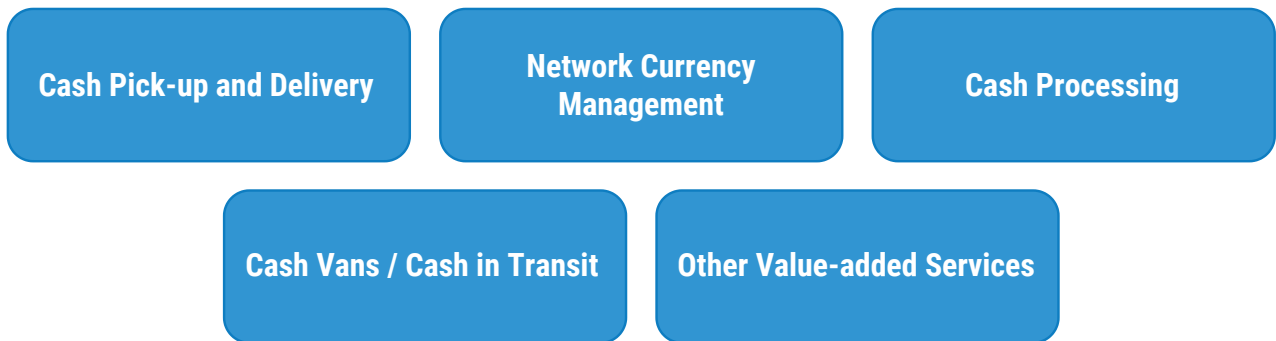


Radiant Cash Management Services Limited

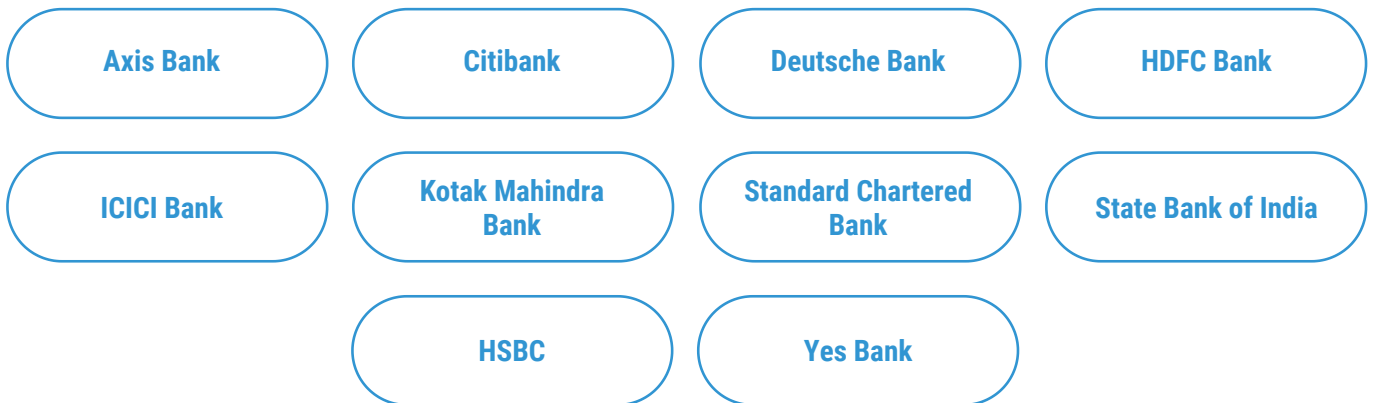
Company Overview

Radiant Cash Management Services Ltd. is an integrated cash logistics player with a leading presence in the retail cash management (“RCM”) segment of the cash management services industry in India and is one of the largest players in the RCM segment in terms of network locations or touch points served as of March 31, 2022.

Business Verticals



Client Base



Marquee Clients

Their marquee clients include some of the largest foreign, private and public sector banks, and the end user of their services include some of the largest e-commerce companies, retail chains, NBFCs, insurance firms, e-commerce logistics players, railways and retail petroleum distribution outlets.



Service Network

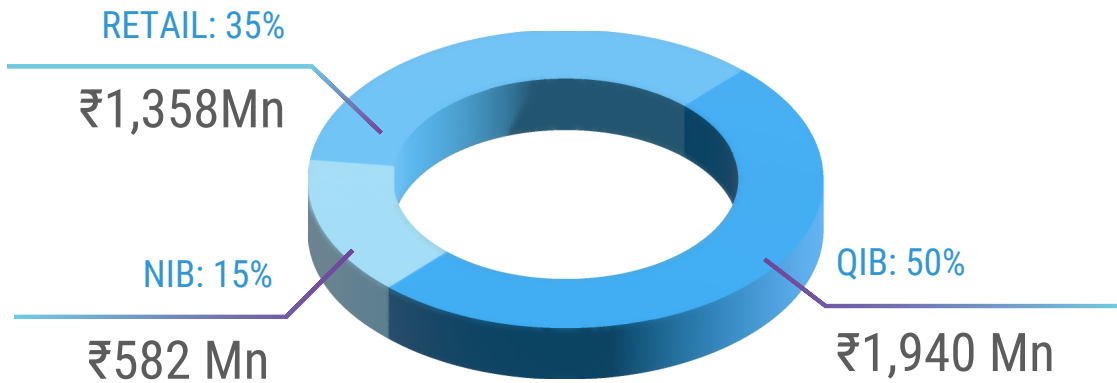
They provide services across 13,044 pin codes in India covering all districts (other than Lakshadweep) with about 55,513 touchpoints serving more than 5,388 locations as of July 31, 2022.



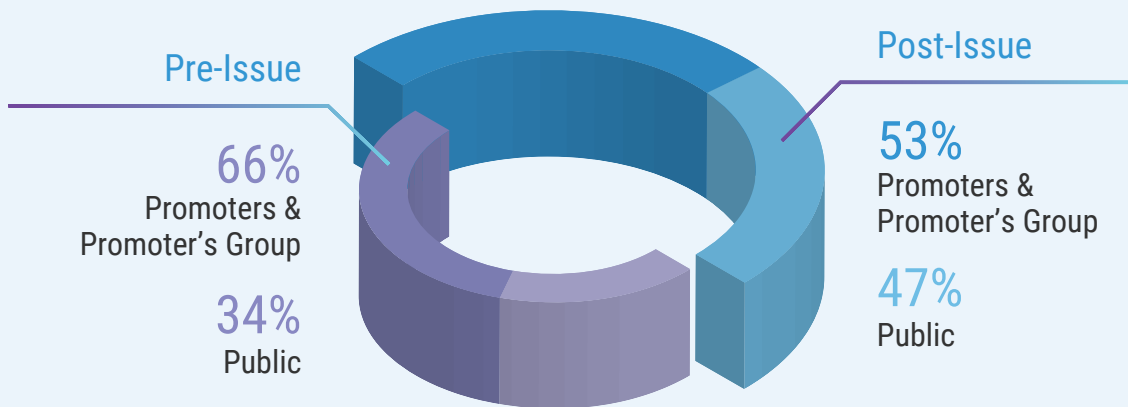
Radiant Cash Management Services Limited

Issue Details

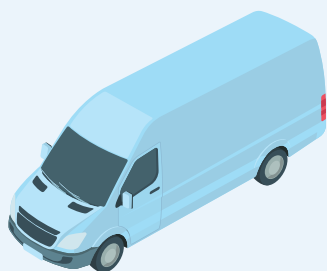
Issue Break-Up



Shareholding Pattern

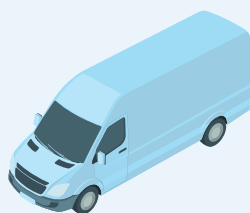


Capital Structure (in ₹)



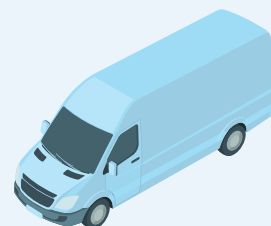
120 Mn

Authorised Equity
Share Capital



101 Mn

Paid-Up Capital
(Pre-Offer)



107 Mn

Paid-Up Capital
(Post-Offer)



Radiant Cash Management Services Limited

Valuations and Peer Comparison

Market Cap
₹10,624 Mn

Market Cap
₹47,400 Mn

Market Cap
₹57,510 Mn

P/E Ratio



27.81x/17.34x

Radiant Cash Management
Services Ltd.



18.65x

CMS Info
Systems Ltd.



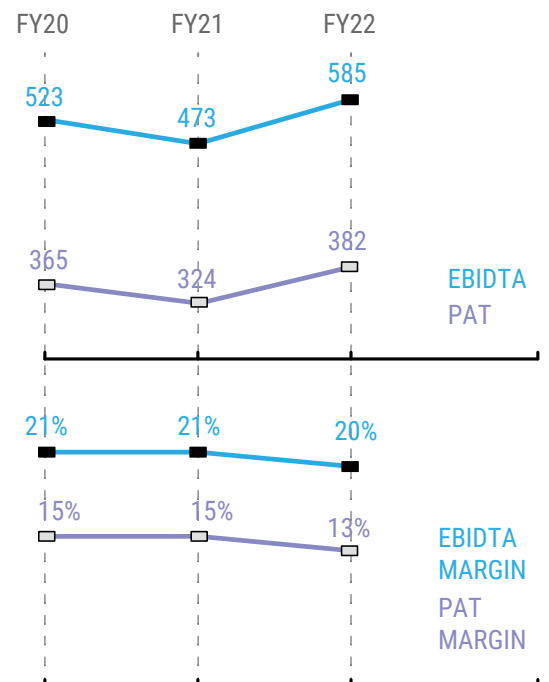
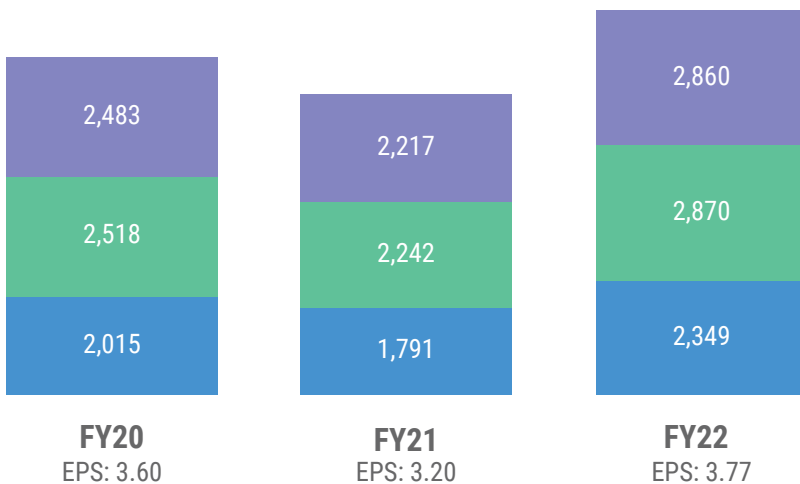
16.61x

SIS Ltd.

Market Cap data of listed securities as on December 21, 2022

Financial Snapshot (in ₹ Mn)

- Revenue
- Total Income
- Total Expenses





Radiant Cash Management Services Limited

Business Insights



Competitive Strengths

- Leading integrated cash logistics player in a consolidating industry present across the value chain of retail cash management
- Pan India presence with a strong network in Tier 2 and Tier 3+ locations and fast-growing end-user segments
- Diversified client base with long-standing relationships and ability to cross-sell value-added service
- Robust Operational Risk Management
- Significantly built up technology to optimize operational profitability
- Steady financial growth
- Experienced management team backed by a reputed institutional investor



Business Strategy

- Capitalize on the strong growth of key end-user sectors
- Improve the share of Value-Added-Services in the revenue mix
- Target direct end-users to improve profitability through increasing route density
- Increase market share from unorganized players in Cash Van Operations



Risks

- A decrease in the availability or use of cash as the predominant mode of payment in India could have an adverse effect on business, results of operations, cash flows and financial condition
- Failures of information technology systems could have a material adverse effect on business, results of operations, cash flows and financial condition.

Promoters and Management Details

Col. David Devasahayam - Chairman and Managing Director

Dr. Renuka David - Wholetime Director