



# IPO NOTE

## RASHI PERIPHERALS LIMITED



Rating:

**Subscribe**  
For long term



### ISSUE OFFER

Issue Opens on	FEB 07, 2024
Issue Close on	FEB 09, 2024
Total IPO size (cr)	₹600.00
Fresh issue (cr)	₹600.00
Offer For Sale (cr)	NIL
Price Band (INR)	295 - 311
Market Lot	48
Face Value (INR)	5
Retail Allocation	35%
Listing On	NSE, BSE

### ISSUE BREAK-UP (%)

QIB Portion	<div><div></div></div>	50%
NII Portion	<div><div></div></div>	15%
Retail Portion	<div><div></div></div>	35%

### SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
46,607,061	65,899,665

### INDICATIVE TIMETABLE

Finalisation of Basis of Allotment	12-02-2024
Refunds/Unblocking ASBA Fund	13-02-2024
Credit of equity shares to DP A/c	13-02-2024
Trading commences	14-02-2024

An Indian company called Rashi Peripherals Limited is in charge of distributing international technology brands. Their area of expertise is information and communication technology (ICT) goods. Pre-sales, technical support, marketing, credit solutions, and warranty management services are examples of value-added services that the company provides. A few of the company's clients are Logitech Asia Pacific Limited, NVIDIA Corporation, ASUS Global, Dell , HP, Lenovo India Private Limited, and Intel Americas.

### OBJECTS OF THE ISSUE

- Payment of certain outstanding borrowings of the company.
- Funding working capital requirements
- General corporate purposes.

### OUTLOOK & VALUATION

Rashi Peripherals, a leading and fast-growing Indian distributor of global ICT brands. Its diversified product portfolio, spanning hardware, software, and solutions, combined with its scalable business model and value-added services like pre-sales, technical support, and marketing, offer promising growth prospects.

However, some key risks require careful consideration. Rashi Peripherals' dependence on third-party vendors and channel partners exposes it to external factors beyond its direct control. Additionally, its relatively low gross margins compared to industry peers warrant scrutiny.

The IPO valuation of 10.54x P/E appears fully priced on a current basis. While the company's future growth potential and the positive industry outlook are encouraging thus we recommend Subscribe rating for this IPO.



## KEY MANAGERIAL PERSONNEL

01

### Krishna Kumar Choudhary

Promoter, Chairman and Whole-time Director of the Company. He obtained his bachelor's degree of commerce from Kashi Hindu University, in 1975. He has 25 years experience in the IT distribution industry. He is also a member of Institute of Chartered Accountants of India He has been associated with the Company since 1997.

02

### Sureshkumar Pansari

Promoter, Vice-Chairman and Whole-time Director of the Company. He is also an associate member of the Institute of Chartered Accountants of India. He has 33 years experience in the technology channel sector. He has been associated with the Company since 1989.

03

### Kapal Suresh Pansari

Promoter and Managing Director of the Company. He obtained his bachelor's degree in commerce from the University of Mumbai in 2004. He has 15 years experience in the technology channel sector. He has been associated with the Company since 2007.

04

### Rajesh Goenka

Chief Executive Officer of the Company He has more than 21 years of experience in sales and marketing. Prior to joining the Company, he was associated with John Crane Engineered Sealing Systems Limited.

05

### Himanshu Kumar Shah

Chief Financial Officer of the Company. Prior to joining the Company, he has been associated with Lintas India Private Limited, Percept Finserve Private Limited, LG Electronics India Private Limited and India Power Services Limited. He has more than 7 years of experience in finance.



## COMPANY PROFILE

- The Company is among the leading national distribution partners for global technology brands in India for information and communications technology ("ICT") products in terms of revenues and distribution network in Fiscal 2023.
- The company has more than 34 years of experience in the distribution of ICT products in India.
- The company's clients include ASUS Global Pte. Ltd., Dell International Services India Private Limited, HP India Sales Private Limited, Lenovo India Private Limited, Logitech Asia Pacific Limited, NVIDIA Corporation, Intel Americas, Inc., Western Digital (UK) Limited, Schneider Electric IT Business India Private Limited, Eaton Power Quality Private Limited, etc.
- Rashi Peripherals is the national distributor for 52 global technology brands and has 50 branches, and 63 warehouses across India, with 8657 distributors across 680 locations in 28 States and Union Territories in India.

## COMPETITIVE STRENGTHS

- Leading and fastest-growing Indian distribution partner for information and communications technology products.
- Pan-India and multi-channel distribution footprint backed by dedicated in-house infrastructure.
- Long-term relationships with marquee global technology brands supported by a committed engagement strategy with customers.
- Diversified and comprehensive product portfolio and solutions.
- Scalable business model supported by advanced technology stack.

## KEY STRATEGIES

- Increase wallet share with global technology brands for the existing portfolio.
- Diversify the product and solutions offerings and focus on emerging digitization trends
- Grow the portfolio of global technology brands
- Deepen penetration across India and widen channel network.
- Further leverage technology and digital infrastructure to drive enhanced upselling, cross-selling and improve efficiencies

## KEY CONCERNS

- The company is dependent on various vendors, who are global technology brands, for the products the company distributes.
- The company's gross margins are low, which magnifies the impact of variation in revenue, operating costs, bad debts, and interest expense on operating results.
- The company is reliant on relationships with certain online marketplaces and disruptions to such relationships or changes in their business practices, may adversely affect the business and the financial condition, results of operations and cash flows.
- Increasing competition in the information and communications technology products distribution industry may create certain pressures that may adversely affect the business, prospects, results of operations, cash flows and financial condition.



## COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	EPS (Basic)	NAV	P/E	Total Income (Mn)	RoNW (%)
<b>Rashi Peripherals Limited</b>	<b>29.50</b>	<b>167.56</b>	<b>-</b>	<b>94,689.47</b>	<b>17.60%</b>
<b>Peer Group</b>					
Redington India Limited	17.82	88.63	9.92	7,95,187.10	20.10%

## FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLIONS)	FY 2023	FY 2022	FY 2021
<b>Equity Share Capital</b>	208.92	208.92	9.95
<b>Other Equity</b>	6,792.96	5,542.50	3,932.63
<b>Net Worth</b>	6,982.68	5,783.29	3,970.02
<b>Total Borrowings</b>	115.72	21.47	5.18
<b>Revenue from Operations</b>	94,542.79	93,134.38	59,250.48
<b>EBITDA</b>	94,689.47	93,219.21	59,317.35
<b>Profit/loss before Tax</b>	93,043.21	90,820.74	57,528.67
<b>Net Profit/loss for the year</b>	673.75	1,233.43	1,825.11



## DISCLAIMER:

The information contained herein are strictly confidential and are meant solely for the information of the recipient and shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written permission of Swastika Investmart Ltd. ("SIL"). The contents of this document are for information purpose only. This document is not an investment advice and must not alone be taken as the basis for an investment decision. Before taking any decision to invest, the recipient of this document must read carefully the Red Herring Prospectus ("RHP") issued to know the details of IPO and various risks and uncertainties associated with the investment in the IPO of the Company. All recipients of this document must before acting on the given information/details, make their own investigation and apply independent judgment based on their specific investment objectives and financial position. They can also seek appropriate professional advice from their own legal and tax consultants, advisors, etc. to understand the risks and investment considerations arising from such investment. The investor should possess appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances before making any decisions on the investment. The Investor shall be solely responsible for any action taken based on this document. SIL shall not be liable for any direct or indirect losses arising from the use of the information contained in this document and accept no responsibility for statements made otherwise issued or any other source of information received by the investor and the investor would be doing so at his/her/its own risk. The information contained in this document should not be construed as forecast or promise or guarantee of any kind. The investors are not being offered any assurance or guaranteed or fixed returns on their investments. The users of this document must bear in mind that past performances if any, are not indicative of future results. The actual returns on investment may be materially different than the past. Investments in Securities market products and instruments including in the IPO of the Company are highly risky and they are generally not an appropriate avenue for someone with limited resources/ limited investment and low risk tolerance. Such Investments are subject to market risks including, without limitation, price, volatility and liquidity and capital risks. Therefore, the users of this document must carefully consider all the information given in the RHP including the risks factors before making any investment in the Equity Shares of the Company.

Swastika Investmart Ltd or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Swastika Investmart Ltd nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Swastika Investment Ltd may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the Subject Company or third party in connection with the Research Report.

CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000

Compliance Officer: Ms. Sheetal Duraphe Email: [compliance@swastika.co.in](mailto:compliance@swastika.co.in) Phone: (0731) 6644 241

Swastika Investmart Limited, SEBI Reg. No.: NSE/BSE/MSEI: INZ000192732 Merchant Banking: INM000012102 Investment Adviser: INA000009843 MCX/NCDEX: INZ000072532

CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.