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Initial Public Offer of equity shares on the main board of the Stock Exchanges in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

# RR KABEL LIMITED

Our Company was originally incorporated as 'Ram Ratna Agro-Plast Limited' at Mumbai, Maharashtra as a public limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 6, 1995, issued by RoC and commenced operations pursuant to a certificate of commencement of business dated June 29, 1995. Subsequently, the name of our Company was changed to 'R R Kabel Limited' and a fresh certificate of incorporation dated November 8, 2000 was issued by the RoC. For details in relation to the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" beginning on page 235 of the red herring prospectus dated September 6, 2023 ("Red Herring Prospectus" or "RHP").  
**Registered Office:** Ram Ratna House, Victoria Mill Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 013, Maharashtra, India  
**Corporate Office:** Alembic Business Park (West), Ground Floor, Bhailal Amin Marg, Gorwa, Vadodara 390 003, Gujarat, India, **Contact Person:** Himanshu Navinchandra Parmar, Company Secretary and Compliance Officer, **E-mail:** investorrelations.rrkl@rrglobal.com; **Website:** www.rrkabel.com; **Telephone:** +91 22 24949009; **Corporate Identity Number:** U28997MH1995PLC085294



(Please scan this QR code to view the Red Herring Prospectus)

THE PROMOTERS OF OUR COMPANY ARE TRIBHUVANPRASAD RAMESHWARLAL KABRA, SHREEGOPAL RAMESHWARLAL KABRA, MAHENDRAKUMAR RAMESHWARLAL KABRA, KIRTIDEVI SHREEGOPAL KABRA, TRIBHUVANPRASAD KABRA HUF, KABRA SHREEGOPAL RAMESHWARLAL HUF AND MAHENDRA KUMAR KABRA HUF

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OF R R KABEL LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,800.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 754,417 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY MAHENDRAKUMAR RAMESHWARLAL KABRA, UP TO 754,417 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY HEMANT MAHENDRAKUMAR KABRA, UP TO 754,417 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY SUMEET MAHENDRAKUMAR KABRA, UP TO 707,200 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY KABEL BUILDCON SOLUTIONS PRIVATE LIMITED, UP TO 1,364,480 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY RAM RATNA WIRES LIMITED AND UP TO 12,901,877 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY TPG ASIA VII SF PTE. LTD. (COLLECTIVELY THE "SELLING SHAREHOLDERS") (SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹108.00 MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). OUR COMPANY AND INVESTOR SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF UP TO [●]% (EQUIVALENT OF ₹[●] PER EQUITY SHARE) TO THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND NET OFFER SHALL CONSTITUTE [●]% AND [●]%, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

### DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND THEIR WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

| NAME OF THE SELLING SHAREHOLDER          | TYPE                               | NUMBER OF EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OFFERED | WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)* |
|--|------------------------------------|--|---|
| Mahendrakumar Rameshwarlal Kabra         | Promoter Selling Shareholder       | Up to 754,417 Equity Shares  | 5.42  |
| Hemant Mahendrakumar Kabra               | Promoter Group Selling Shareholder | Up to 754,417 Equity Shares  | 7.05  |
| Sumeet Mahendrakumar Kabra               | Promoter Group Selling Shareholder | Up to 754,417 Equity Shares  | 7.68  |
| Kabel Buildcon Solutions Private Limited | Promoter Group Selling Shareholder | Up to 707,200 Equity Shares  | 1.65  |
| Ram Ratna Wires Limited                  | Other Selling Shareholder          | Up to 1,364,480 Equity Shares  | 1.62  |
| TPG Asia VII SF Pte. Ltd.                | Investor Selling Shareholder       | Up to 12,901,877 Equity Shares   | 270.08  |

\* As certified by the Independent Chartered Accountant, by way of their certificate dated September 6, 2023.

RR Kabel Limited operates in the Indian consumer electrical industry (comprising wires and cables and fast moving electrical goods ("FMEG")), with an operating history of over 20 years in India.

The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations  
QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Retail Portion: Not less than 35% of the Net Offer  
Employee Reservation Portion: Up to [·] Equity Shares aggregating up to ₹ 108.00 million

PRICE BAND: ₹ 983 TO ₹ 1,035 PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH.

THE FLOOR PRICE IS 196.60 TIMES AND THE CAP PRICE IS 207.00 TIMES THE FACE VALUE OF THE EQUITY SHARES.  
THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR THE COMPANY AT THE HIGHER END OF THE PRICE BAND IS AS HIGH AS 60.63 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 57.59 TIMES.  
BIDS CAN BE MADE FOR A MINIMUM OF 14 EQUITY SHARES AND IN MULTIPLES OF 14 EQUITY SHARES THEREAFTER.  
A DISCOUNT OF ₹ 98 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated September 7, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for the Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), disclosed in 'Basis for the Offer Price' section on pages 120 to 130 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

### RISKS TO INVESTORS

- Concentration risk:** We derive most of our revenue from operations from the manufacture and supply of wires and cables segment. For Fiscals 2021, 2022 and 2023 and three months ended June 30, 2022 and June 30, 2023, revenue from operations from our wires and cables segment amounted to ₹25,202.47 million, ₹41,112.71 million, ₹49,585.32 million, ₹11,058.27 million and ₹14,230.82 million, which accounted for 92.52%, 93.74%, 88.56%, 89.47% and 89.09%, respectively of our total revenue from operations in such periods.
- Dependency of raw material:** Our operations are dependent upon the price and availability of the raw materials that we require for the production of our wires and cables and FMEGs. The following table sets forth the details of our total cost of materials and our consumption of copper and aluminium for the periods indicated:

|   | For Fiscal |        |        | For Three Months ended June 30, |        |
|---|------------|--------|--------|---------------------------------|--------|
|   | 2021       | 2022   | 2023   | 2022                            | 2023   |
| Cost of Materials Consumed as a Percentage of Total Expenses (%)                      | 84.71%     | 86.11% | 81.24% | 85.36%                          | 79.02% |
| Consumption of Copper and Aluminium as a Percentage of Cost of Materials Consumed (%) | 84.62%     | 84.05% | 82.40% | 82.80%                          | 82.72% |

- Foreign Exchange Risk:** Our revenue from operations from outside India geographical segment, constituted 21.54%, 22.97%, 22.69%, 27.80% and 26.94% of our revenue from operations in Fiscals 2021, 2022 and 2023 and three months ended June 30, 2022 and June 30, 2023, respectively. Depreciation of the Indian Rupee

- against the USD, the Euro, the British Pound and other foreign currencies may adversely affect our results of operations by increasing the cost of the raw materials we import or any proposed capital expenditure in foreign currencies. We are also exposed to the concentration risk of relying on a few distributors for our distribution to the overseas markets.
- We are dependent on our five manufacturing facilities for the production of all of our wires and cables and approximately 37% of our fast moving electrical goods products (by value). Any disruption, breakdown or shutdown of our manufacturing facilities may have a material adverse effect on our business, financial condition, results of operations and cash flows.
  - Working Capital & Capital Expenditure Requirements:** We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements. For Fiscals 2021, 2022 and 2023 and three months ended June 30, 2022 and June 30, 2023, our capital expenditures, were ₹463.08 million, ₹846.26 million, ₹1,831.07 million, ₹853.12 million and ₹313.90 million, respectively. For Fiscals 2021, 2022 and 2023 and three months ended June 30, 2022 and June 30, 2023, our working capital, were ₹6,686.91 million, ₹8,123.44 million, ₹8,465.44 million, ₹7,940.83 million and ₹9,002.37 million, respectively.
  - Competition Risk:** We face significant competition in our business from other manufacturers and suppliers of cables and wires and fast moving electrical good products. The wires and cables and fast moving electrical good industries are highly competitive with the presence of many national and regional players (manufacturers, traders, suppliers and importers etc.), competing on the basis of factors such as products, price, customer service, post sales services, quality and delivery.
  - Loss in Fast Moving Electric Good Business:** For Fiscals 2021, 2022 and 2023 and three months ended June 30, 2022 and June 30, 2023, the fast moving electrical good segment loss before tax and interest amounted to ₹(300.64) million, ₹(298.41) million, ₹(695.30) million, ₹(148.78) million and ₹(169.53) million, respectively. We expect our fast moving electrical good business to continue to be operated at a loss and we may not be able to achieve and sustain profitability.

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