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(Please scan the QR code to view the RHP)

Rashi Peripherals Limited

Our Company was incorporated as "Rashi Peripherals Private Limited" at Mumbai, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 15, 1989 issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Our Company became a deemed public limited company under Section 43A of the Companies Act, 1956 and the word "private" was deleted with effect from July 1, 1997, and then the Company once again became a private limited company with effect from October 28, 2001. Subsequently, our Company changed its name and was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders held on July 29, 2022 and consequently, a fresh certificate of incorporation dated August 4, 2022 was issued by the RoC to our Company under its present name, Rashi Peripherals Limited. For details of changes in the name and the registered office address of our Company, see "History and Certain Corporate Matters" on page 260 of the red herring prospectus dated January 29, 2024 filed with the RoC ("RHP" or "Red Herring Prospectus").

Registered and Corporate Office: Aislo House, 5th Floor, Corner of Telli Galli, Andheri (E), Mumbai 400 069, Maharashtra, India. Tel: +91 22 6177 7171-72. Contact Person: Arsal Tissa Shah, Company Secretary and Compliance Officer. Website: www.rptechindia.com. Email: investors@rptechindia.com

PROMOTERS OF OUR COMPANY: KRISHNA KUMAR CHOUDHARY, SURESHKUMAR PANSARI, KAPAL SURESH PANSARI, KESHAV KRISHNA KUMAR CHOUDHARY, CHAMAN PANSARI, KRISHNA KUMAR CHOUDHARY (HUF) AND SURESH M PANSARI HUF

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OF RASHI PERIPHERALS LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[•] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹6,000 MILLION (THE "OFFER"). THE OFFER WILL CONSTITUTE [•]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE BRLMs, HAS UNDERTAKEN A PRE-IPO PLACEMENT OF EQUITY SHARES AGGREGATING TO ₹1,500 MILLION. THE SIZE OF THE FRESH ISSUE HAS BEEN REDUCED BY ₹1,500 MILLION PURSUANT TO THE PRE-IPO PLACEMENT. ACCORDINGLY, THE REVISED FRESH ISSUE SIZE IS UP TO ₹6,000 MILLION.

Rashi Peripherals Limited is the national distribution partner for global technology brands in India for information and communications technology ("ICT") product categories such as personal computing, mobility, enterprise, embedded solutions, components, lifestyle, storage and memory devices, power and accessories.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

• QIB Portion: Not more than 50% of the Offer • Non-Institutional Portion: Not less than 15% of the Offer • Retail Portion: Not less than 35% of the Offer

PRICE BAND: ₹295 TO ₹311 PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH

THE FLOOR PRICE IS 59 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 62.20 TIMES THE FACE VALUE OF THE EQUITY SHARES

THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2023 AT THE FLOOR PRICE IS 10.00 TIMES AND AT THE CAP PRICE IS 10.54 TIMES

BIDS CAN BE MADE FOR A MINIMUM OF 48 EQUITY SHARES AND IN MULTIPLES OF 48 EQUITY SHARES THEREAFTER

OUR COMPANY, IN CONSULTATION WITH THE BRLMs, HAS UNDERTAKEN A PRE-IPO PLACEMENT OF EQUITY SHARES AGGREGATING TO ₹1,500 MILLION. THE SIZE OF THE FRESH ISSUE HAS BEEN REDUCED BY ₹1,500 MILLION PURSUANT TO THE PRE-IPO PLACEMENT. ACCORDINGLY, THE REVISED FRESH ISSUE SIZE IS UP TO ₹6,000 MILLION.

Details of the Equity Shares issued by our Company to the Pre-IPO Placement investors:

Date of allotment	Number of Equity Shares	Price per Equity Share (₹)	Total consideration (₹ in million)	Name of the allottee
January 17, 2024	3,215,434	311.00	1,000.00	Volrado Venture Partners Fund- III-BETA
January 17, 2024	1,607,717	311.00	500.00	Madhuri Madhusudan Kela

The above mentioned allottees are not connected to our Company, Promoters, Promoter Group, Directors, KMPs, Subsidiaries or Group Companies and the directors or key managerial personnel of such Subsidiaries and Group Companies in any manner.

In accordance with the recommendation of Committee of Independent Directors of our Company, pursuant to their resolution dated January 29, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP. The price band is in line with the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the 'Basis for Offer Price' section on pages 145-160 of the RHP and provided below in this advertisement.

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:

- Vendor concentration risk:** We are dependent on various vendors, who are global technology brands, for the information and communications technology ("ICT") products we distribute. In Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2022 and September 30, 2023, revenues generated from distribution of products manufactured by our top eight global technology brands were 83.15%, 82.42%, 82.11%, 82.50% and 82.39%, respectively, of our revenue from operations. Any delay or failure on part of such global technology brands to supply products may materially and adversely affect our business, profitability and reputation.
- Revenue concentration risk:** We rely on revenue generated from our lifestyle and IT essentials vertical and our Personal Computing, Enterprise and Cloud Solutions vertical for our sales revenue. In Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2022 and September 30, 2023, revenues generated from lifestyle and IT essentials vertical were 43.53%, 42.52%, 44.02%, 43.32% and 43.01%, respectively, of our revenue from operations. In Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2022 and September 30, 2023, revenues generated from Personal Computing, Enterprise and Cloud Solutions vertical were 56.47%, 57.48%, 55.98%, 56.68% and 56.99%, respectively, of our revenue from operations. Any sudden fall in the revenues from either of these verticals may adversely affect our financial condition and profitability.
- Dependency on global technology brands:** In Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2022 and September 30, 2023, revenues generated from top five global technology brands we distribute were 72.42%, 70.27%, 67.82%, 68.97% and 67.13%, respectively, of our revenue from operations. If we fail to maintain our reputation or increase positive awareness of ICT products, or the quality of products declines due to our global technology brand partners being unable to maintain the required quality at their end, our business, financial condition and results of operations may be adversely affected.
- Dependency on channel partners and customers:** We distribute ICT products to Channel Partners and customers, who are B2B end-customers. In Fiscal 2023 and for the six months ended September 30, 2023, 47.59% and 71.79% of our customers were repeat customers, respectively, and more than 91.77% and 99.34%, of our revenue from operations in Fiscal 2023 and for the six months ended September 30, 2023, respectively, were generated from such repeat customers. If we are unable to maintain our relationships with our Channel Partners or customers or if any of these parties change the terms of their arrangements with us, our business could be materially and adversely affected.
- Dependency on online marketplaces:** We are reliant on online marketplaces for the sale of a portion of the products that we distribute. In Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2022 and September 30, 2023, our sales to online marketplace were 18.71%, 13.85%, 12.90%, 15.40% and 20.33%, respectively, of our revenue from operations. Any disruptions to such relationships or changes in their business practices, may adversely affect our business and our financial condition, results of operations and cash flows.
- Lower gross margin:** In Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2022 and September 30, 2023, our gross margin were 5.84%, 5.54%, 5.71%, 5.36% and 5.53%, respectively, of our revenue from operations. Our gross margins are low, which magnifies the impact of variation in revenue, operating costs, bad debts and interest expense on our operating results.
- Lower EBITDA margin:** Our EBITDA Margin was 3.63% in Fiscal 2021, which decreased to 3.28% in Fiscal 2022 and further to 2.83% in Fiscal 2023. Our EBITDA Margin was 2.72% and 3.03% for six months ended September 30, 2022 and September 30, 2023, respectively. There can be no assurance that our EBITDA or EBITDA Margin will not decrease in future or that we will be able to maintain present levels of profitability, owing to elevated expenses or other factors outside our control.
- Negative cash flow from operating activities:** We have witnessed negative cash flows in the past, with net cash used in operating activities of ₹1,097.54 million, ₹3,152.05 million, ₹1,145.53 million, ₹989.17 million and ₹2,856.73 million in Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2022 and September 30, 2023, respectively. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.
- Higher purchase of stock-in-trade:** In Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2022 and September 30, 2023, our purchase of stock-in-trade were 95.32%, 101.91%, 97.40%, 106.47% and 106.59%, respectively, of our revenue from operations. We purchase inventory in anticipation of sales, and if we fail to manage our inventory effectively during that period or if the inventory value declines, our business and results of operations could be adversely affected.
- Import related risk:** We earn a significant portion of our revenue from operations from products manufactured by global technology brands that we import into India. In Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2022 and September 30, 2023, cost of imported products were 36.58%, 34.47%, 38.17% and 30.66%, respectively, of our total purchases. Our inability to handle risks associated with import and export of products could affect our business and revenue from operations.
- Credit exposure risk:** We have significant credit exposure to our Channel Partners and other customers. In Fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2022 and September 30, 2023, value of our products initially sold on credit were 85.63%, 87.96%, 90.43%, 92.56% and 90.76%, respectively, of our revenue from operations. Any negative trends in their businesses could cause us significant credit loss and negatively impact our cash flow and liquidity position.
- Substantial working capital requirements:** Our business is working capital intensive. Our Company's working capital details as at March 31, 2021, March 31, 2022, March 31, 2023, and as at September 30, 2022 and September 30, 2023 was ₹7,767.89 million, ₹13,140.91 million, ₹16,287.90 million, ₹15,153.30 million and ₹20,530.93 million, respectively. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial condition.
- Indebtedness:** As of November 30, 2023, we had total outstanding consolidated financial indebtedness of ₹15,693.69 million. We rely on financing from banks or financial institutions to carry on our business operations, and inability to obtain additional financing on terms favourable to us or at all could have an adverse impact on our financial condition. If we are unable to raise additional capital, our business and future financial performance could be adversely affected.

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