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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 'RR 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 prospectus dated September 15, 2023 ("Prospectus").

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, Bhalil Amin Marg, Gorwa, Vadodara 390 003, Gujarat, India. Contact Person: Himanshu Navinchandra Parmar, Company Secretary and Compliance Officer, E-mail: investorrelations.rrk@rrglobal.com; Website: www.rrkabel.com; Telephone: +91 22 24949009; Corporate Identity Number: U28997MH1995PLC085294



(Please scan this QR code to view the Prospectus)

**THE COMMENCEMENT OF TRADING OF THE EQUITY SHARES OF OUR COMPANY ON THE STOCK EXCHANGES SHALL BE WITH EFFECT FROM WEDNESDAY, SEPTEMBER 20, 2023 (I.E. T+2 DAYS, T BEING THE OFFER CLOSING DATE). OUR COMPANY HAS VOLUNTARILY DECIDED FOR LISTING IN TERMS OF THE TIMELINES PRESCRIBED UNDER THE SEBI CIRCULAR NO. SEBI/HO/CFD/TPD1/CIR/P/2023/140 DATED AUGUST 9, 2023, WHICH REDUCED THE TIMELINE FOR LISTING OF EQUITY SHARES IN PUBLIC ISSUE FROM EXISTING T+6 DAYS TO T+3 DAYS.**

**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**

Our Company has filed the Prospectus with the RoC on Friday, September 16, 2023 and the Equity Shares are proposed to be listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and the trading will commence on Wednesday, September 20, 2023.

## NOTICE TO INVESTORS

Investors may note the following:

Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the reduction of timeline for listing of equity shares in public issue from existing 6 working days ("T+6 days") to 3 working days ("T+3 days") has been made applicable in two phases i.e., (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023. As per the red herring prospectus dated September 6, 2023 ("RHP") and Prospectus, the commencement of trading of Equity Shares on the stock exchanges was scheduled on or before September 26, 2023. However, in the interest of the Bidders, the Company has decided voluntary adoption of the timelines prescribed under the aforementioned SEBI circular. The Company has completed the requisite formalities such that the commencement of trading of Equity Shares on the Stock Exchanges shall be with effect from WEDNESDAY, SEPTEMBER 20, 2023. The Indicative timelines mentioned in the section titled "Terms of the Offer - Bid/Offer Programme" on page 429 of the RHP and Prospectus stands updated as below:

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Prospectus.

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	Saturday, September 16, 2023
Initiation of Refunds (for Anchor Investors) / Unblocking of Funds from ASBA account	Saturday, September 16, 2023 / Sunday, September 17, 2023
Credit of Equity Shares to Demat Accounts of Allottees	Monday, September 18, 2023
<b>COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES</b>	<b>WEDNESDAY, SEPTEMBER 20, 2023</b>

## BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 18,986,851 EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OF RR KABEL LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹1,035<sup>A</sup> PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹1,030 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹19,640.10 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF 1,750,043 EQUITY SHARES AGGREGATING TO ₹1,800.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 754,417 EQUITY SHARES AGGREGATING TO ₹780.82 MILLION BY MAHENDRAKUMAR RAMESHWARLAL KABRA, 754,417 EQUITY SHARES AGGREGATING TO ₹780.82 MILLION BY HEMANT MAHENDRAKUMAR KABRA, 754,417 EQUITY SHARES AGGREGATING TO ₹780.82 MILLION BY SUMEET MAHENDRAKUMAR KABRA, 707,200 EQUITY SHARES AGGREGATING TO ₹731.95 MILLION BY KABEL BUILDCON SOLUTIONS PRIVATE LIMITED, 1,364,480 EQUITY SHARES AGGREGATING TO ₹1,412.24 MILLION BY RAM RATNA WIRES LIMITED AND 12,901,877 EQUITY SHARES AGGREGATING TO ₹13,353.44 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 INCLUDED A RESERVATION OF 115,261 EQUITY SHARES, AGGREGATING ₹108.00 MILLION (CONSTITUTING 0.10% 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, HAS OFFERED A DISCOUNT OF ₹98 PER EQUITY SHARE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND NET OFFER CONSTITUTE 16.83% AND 16.73% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

<sup>A</sup> A DISCOUNT OF ₹98 PER EQUITY SHARE WAS OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

**ANCHOR INVESTOR OFFER PRICE: ₹1,035 PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH**

**OFFER PRICE: ₹1,035<sup>A</sup> PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH**

**THE OFFER PRICE IS 207 TIMES OF THE FACE VALUE OF THE EQUITY SHARES**

**<sup>A</sup> A DISCOUNT OF ₹98 PER EQUITY SHARE WAS OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.**

## 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.
- Market Risk:** The Offer Price, market capitalization to revenue from operations multiple and price to earnings ratio based on the Offer Price of our Company may not be indicative of the market price of the Company on listing or thereafter.

Particulars	Ratio vis-à-vis Floor price (i.e. ₹ 983)	Ratio vis-à-vis Cap price (i.e. ₹ 1,035)
	(In multiples, unless otherwise specified)	
Market Capitalization to Revenue from Operations	1.98	2.09
Price to Earnings Ratio	57.59	60.63
Price to Revenue from Operations Ratio	1.98	2.09
Price to Earnings Ratio of Nifty 50 index as on September 5, 2023	22.33	

Note:

- Market capitalization has been computed as the product of number of shares outstanding assuming full subscription to Gross Offer with the floor price or cap price, as applicable
  - Revenue from Operations is provided for the Financial Year, 2023.
  - P/E Ratio has been computed based on the floor price or cap price, as applicable, divided by the diluted EPS for the financial year ended 2023.
- Weighted Average Return on Net Worth for Fiscals 2023, 2022 & 2021 is 14.78%.
  - Our Company will not receive any proceeds from the Offer for Sale.
  - Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per share)	Floor price (i.e. ₹ 983)	Cap price (i.e. ₹ 1,035)
Weighted average cost of acquisition (WACA) of Primary Issuances	N.A.	N.A.	N.A.
Weighted average cost of acquisition (WACA) of Secondary Transactions	973.74*	1.01 times	1.06 times

Note: As certified by the Independent Chartered Accountant, by way of their certificate dated September 7, 2023.

\*Since there were no secondary transactions involving our Promoters, members of the Promoter Group, Selling Shareholders or shareholders with right to nominate directors on our Board, excluding gifts, equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in the last 18 months preceding the date of the Red Herring Prospectus, in a single transaction or multiple transactions combined together over a span of rolling 30 days, the information has been disclosed for price per share of our Company based on the last five transactions secondary transactions (where promoter/promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) on the Board), are a party to the transaction, not older than three years prior to the date of the Prospectus irrespective of the size of the transaction

- Average cost of acquisition of Equity Shares held by the Promoters and Selling Shareholders ranges from ₹0.62 to ₹270.08 per Equity Share and Offer Price at upper end of the Price Band is ₹1,035 per Equity Share.
- The four BRLMs associated with the Offer have handled 61 public issues in the past three years, out of which 20 issues closed below the offer price on listing date.

Name of BRLMs	Total Issues	Issues closed below IPO Price on listing date
Axis Capital Limited*	20	8
Citigroup Global Markets India Private Limited*	5	1
HSBC Securities and Capital Markets (India) Private Limited*	-	-
JM Financial Limited*	15	3
Common issues of above BRLMs	21	8
Total	61	20

\*Issues handled where there were no common BRLMs

