

## Company Business

- ✦ Readymix Construction Machinery Limited (RCML) is engaged in the business of manufacturing construction machinery. They produce equipment used in various sectors, including the cement, concrete, crushing, and construction and building materials industries.
- ✦ The company uses machines like vertical drill machines, pug cutting machines, air compressors, and arc welding machines for cutting, fabricating, and assembling equipment.
- ✦ RCML's sales and marketing team focuses on customer development and maintaining relationships, marketing products, negotiating prices, and ensuring timely deliveries. They also engage in advertising through participation in national and international events, magazine ads, and online trade portals.
- ✦ The company does not have any collaborations, tie-ups, or joint ventures as of the date of the document, except as disclosed in the normal course of business.
- ✦ RCML was originally incorporated as a private limited company on January 24, 2012, and later converted to a public limited company on August 2, 2024.
- ✦ Current order book as on Jan 10, 2025 is Rs. 29.18 Cr.

## Industry Analysis and TAM (Total Addressable Market)

- ✦ The Indian Construction Equipment Market was valued at US\$ 7.2 billion in FY23 and is expected to grow at a **CAGR of 15%** for the next five years.
- ✦ The construction equipment industry is projected to sell **165,097 units by 2028**.
- ✦ India's earthmoving and construction equipment (ECE) industry has seen strong growth and has become the third-largest construction equipment market globally.
- ✦ Construction Equipment sales grew by **26% YoY to 135,650 units in FY24**.
- ✦ The machine tools market is anticipated to reach **US\$ 2.5 billion by 2028**, with a growth rate (CAGR) of **9.4%** during 2023–28.

## Key Management Details

- ✦ The promoters of the company are Anand Suresh Watve, Atul Jagannath Kulkarni, Prashant Balasaheb Kanikdale, and Shubhangi Rohit Deo.
- ✦ Key managerial personnel include:
  - Pragya Abhay Mishra (Company Secretary & Compliance Officer)
  - Shubhangi Rohit Deo (Chief Financial Officer)
- ✦ None of the key managerial personnel have any interest in the company, apart from their shares, remuneration and reimbursements, as detailed in related party disclosures.

## IPO Details

- ✦ The company is launching an initial public offering (IPO) of **up to 3,062,000 equity shares** amounting Rs. 37.66 Cr.
- ✦ The IPO will be listed on the SME platform of the National Stock Exchange of India (NSE Emerge)

## Objects of the Issue

The company intends to use the net proceeds of the IPO for the following purposes:

- ✦ Repayment and/or pre-payment of borrowings: **₹5.25 crores**.
- ✦ Meeting working capital requirements: **₹24.05 crores**.
- ✦ General corporate purposes

## Financials of the company \_\_\_\_\_

(Fig. in Cr)

Particulars	Dec 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	35.48	69.79	54.99	47.82
EBITDA	2.93	13.65	4.58	2.36
EBITDA Margins	8.26%	19.57%	8.33%	4.94%
PAT	1.04	9.28	2.77	1.32
PAT Margins	2.94%	13.30%	5.05%	2.78%
ROCE		48.96%	25.71%	19.59%
CFOA	-6.60	2.83	0.57	-2.59

## Company Valuation \_\_\_\_\_

- ✦ Mcap after IPO : Rs. 134.78 Cr.
- ✦ P/E Ratio(FY 24 Basis) : 14.52

## Comparison with Peers \_\_\_\_\_

- ✦ The document states that there are no listed companies in India that are engaged in a business similar to that of RCML. Therefore, a direct comparison with industry peers is not possible.

## Positive and Negative Points \_\_\_\_\_

### Positive

- ✦ Strong industry growth and market potential.
- ✦ Diversified range of products.
- ✦ Established customer relationships across various geographic locations.
- ✦ The company has a dedicated after-sales network.

### Negative

- ✦ There is no direct comparison with industry peers, making it difficult to benchmark the company's performance.
- ✦ Unstable Operating Cash Flows.
- ✦ Contingent liability of Rs. 1.24 Cr.
- ✦ Profit margins are not impressive.
- ✦ High Debts



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