

Issue highlights

- **Uniparts India Limited (“Uniparts”)** was incorporated on September 26, 1994. Uniparts is a global manufacturer of engineered systems and solutions, and it is one of the leading suppliers of systems and components for the off-highway market in the agriculture and construction, forestry and mining (“CFM”) and aftermarket sectors on account of their presence across over 25 countries.
- Uniparts is a concept-to-supply player for precision products for off-highway vehicles (“OHVs”) with presence across the value chain. Their product portfolio includes core product verticals of 3-point linkage systems (“3PL”) and precision machined parts (“PMP”) as well as adjacent product verticals of power take off (“PTO”), fabrications and hydraulic cylinders or components thereof. They have a leading presence in the manufacture of 3PL and PMP products globally on account of them serving some of the largest global companies. Most of Company’s products are structural and load bearing parts of the equipment and are subject to strict tolerances, specifications, and process controls.
- Uniparts had an estimated 16.68% market share of the global 3PL market in Fiscal 2022 in terms of value and an estimated 5.92% market share in the global PMP market in the CFM sector in Fiscal 2022 in terms of value.
- Uniparts provides replacements of 3PL parts to organized aftermarket retailers and distributors in North America, Europe, South Africa and Australia.
- In India, Uniparts has 5 manufacturing facilities, 2 at Ludhiana, 1 at Visakhapatnam, and 2 at Noida. They also have set-up a distribution facility in Noida. In the United States, they have a manufacturing, warehousing and distribution facility at Eldridge, Iowa, acquired in 2005 of Olsen Engineering LLC, now known as Uniparts Olsen Inc. (“UOI”) and a warehousing and distribution facility at Augusta, Georgia.
- In Fiscal 2022, Company’s customer base comprised over 125 customers in over 25 countries globally. Bobcat, TAFE and Kramp are some of the customers with whom they have relationships for over 15 years, while with customers like Yanmar, they have a relationship with for over 10 years.

Brief Financial Details*

(₹ In Cr)

	As at Jun’ 30,	As at Mar’ 31,		
	2022(03)	2022(12)	2021(12)	2020(12)
Equity Share Capital	44.62	44.62	44.62	44.62
Reserves	669.31	640.62	515.52	419.55
Net worth as stated	713.93	685.24	560.14	464.17
Revenue from Operations	346.84	1,227.42	903.14	907.22
Revenue Growth (%)	-	35.91%	(0.45)%	-
EBITDA as stated	76.12	271.66	163.93	127.81
EBITDA Margin (%)	21.95%	22.13%	18.15%	14.09%
Profit Before Tax	65.19	229.32	118.56	74.40
Restated Profit for the period	50.52	166.89	93.15	62.64
Restated Profit (%) as stated	14.56%	13.60%	10.31%	6.90%
EPS - Basic (₹)	11.42 [^]	37.74	21.12	14.20
EPS - Diluted (₹)	11.19 [^]	36.98	20.64	13.88
RONW (%)	7.08% [^]	24.35%	16.63%	13.50%
NAV (₹)	158.18	151.82	124.11	102.84
ROAE (%)	7.22% [^]	26.80%	18.19%	14.12%
ROCE (%)	8.83% [^]	31.00%	19.78%	13.98%
Net Debt/EBITDA Ratio	1.09 [^]	0.42	0.71	1.87

Source: RHP *Restated Consolidated, [^]Not annualised

Issue Details

Offer for sale of 14,481,942 Equity shares

Issue size: ₹ 794 – 836 Cr

No. of shares: 14,481,942 Equity Shares

Face value: ₹ 10/-

Price band: ₹ 548 – 577

Bid Lot: 25 Shares and in multiple thereof

Post Issue Implied Market Cap =

₹ 2,473 – 2,604 Cr

BRLMs: Axis Capital, DAM Capital, JM Financial

Registrar: Link Intime India Pvt. Ltd.

Issue opens on: Wednesday, 30th Nov’2022

Issue closes on: Friday, 2nd Dec’2022

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	07-12-2022
Refunds/Unblocking ASBA Fund	08-12-2022
Credit of equity shares to DP A/c	09-12-2022
Trading commences	12-12-2022

Issue break-up

	No. of Shares	₹ In Cr		% of Issue
		@Lower	@upper	
QIB	7,240,970	396.81	417.80	50%
NIB	2,172,292	119.04	125.34	15%
-NIB 1	724,098	39.68	41.78	-
-NIB 2	1,448,194	79.36	83.56	-
RET	5,068,680	277.76	292.46	35%
Total	14,481,942	793.61	835.61	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Listing: BSE & NSE

Shareholding (No. of Shares)

	Pre-Offer and Post-Offer Equity Shares
No of shares	45,133,758

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	20.37%	20.37%
Promoters Group	55.17%	45.42%
Public - Investor Selling S/h	20.68%	0.00%
Public - Individual Selling S/h	1.66%	0.00%
Public –Other	0.15%	32.24%
Employee Trust	1.98%	1.98%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The company was incorporated on September 26, 1994. The company was promoted by Gurdeep Soni and Paramjit Singh. Currently the promoters collectively hold 9,195,090 Equity Shares, representing 20.37% of the pre-Offer issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of Directors

Gurdeep Soni is the Promoter, Chairman and Managing Director of the company and has been associated with the company since its incorporation. He has 42 years of work experience including 27 years of experience in different roles within the Uniparts Group. He has been actively involved in the day-to-day operations of the company and is responsible for the after-market business of the Uniparts Group.

Paramjit Singh Soni is the Promoter, Executive Director and Vice Chairman of the company and has been associated with the company since its incorporation. He has 40 years of work experience including 27 years of experience as a Director of the company and is presently based in the USA. He is responsible for the OEM business of the Uniparts Group and actively involved in the formulation of corporate strategy and planning and concentrates on the business growth and diversification plans of the company.

Herbert Coenen is the Non-Executive Director of the company. He was appointed as a Director of the company on January 12, 2013. He has over 35 years of work experience, of which 20 years were with GKN Walterscheid GmbH. He is associated with the Uniparts Group since May, 2005. He is also the managing director of the Subsidiary, Uniparts India GmbH.

Harjit Singh Bhatia is the Nominee Director of the company and a nominee of Ashoka Investment Holdings Ltd and Ambadevi Mauritius Holding Ltd on the Board. He was appointed as a Nominee Director of the company on May 21, 2021. He has over 41 years of experience across various sectors, and has previously been associated with the State Bank of India, Credit Suisse Services (Guernsey) Ltd, Deutsche Bank and PineBridge Investments Singapore Ltd.

Alok Nagory is an Independent Director of the company. He was appointed as a Director of the company on August 23, 2014. He has about 43 years of experience in international business development, joint ventures, and acquisitions in India Thermit Corporation Ltd. He is currently the chairman and the managing director of The India Thermit Corporation Ltd.

Sharat Krishan Mathur is an Independent Director of the company. He was appointed as a Director of the company on November 29, 2013. He has over 36 years of experience in managing complex outsourcing, remote project management and process re-engineering. He has previously worked with reputed companies in different sectors such as Maclean Power Systems. He co-founded Insight Alpha in 2008, a primary research firm focused on finding relevant experts dedicated to providing institutional investors with access to leading industry professionals in India and South-East Asia.

Shradha Suri is an Independent Director of the company. She was appointed as a Director of the company on August 23, 2014. She has over 21 years of experience and has played a key role in management of affairs, formulation, and implementation of policies, directing strategy towards profitable growth for Subros Ltd. She is currently the chairperson and managing director of Subros Ltd a part of the Suri Group.

Sanjeev Kumar Chanana is an Independent Director of the company. He was appointed as a Director of the company on February 17, 2022. He has over 25 years of work experience in the field of investments, technology and corporate governance and has previously been associated with the Oriental Insurance Co Ltd, the New India Assurance Co Ltd and National Pension Scheme Trust as a trustee.

Key Managerial Personnel

Sudhakar S Kolli is the Group Chief Operating Officer of the company and the Chief Executive Officer of Uniparts Olsen Inc. He has 25 years of experience in the areas including general management with leadership role, operations, and product development. Previously, he worked with Joy Technologies Inc., Joy Mining Machinery, CNH Industrial America LLC and Hyva Holding Limited and spent over 13 years with Caterpillar Inc. He joined the company on February 8, 2016.

Munish Sapra is the Group Chief Financial Officer of the company. He has over 27 years of experience in the fields of finance and accounts. He has previously worked with Sona BLW Precision Forgings Ltd, Sunbeam Castings and Bharti Healthcare Ltd.

Jatin Mahajan is the Company Secretary and Compliance Officer and Head – Legal and Secretarial of the company. He has over 16 years of experience in secretarial, legal and finance functions. He has previously worked with BPTP Ltd, DEN Networks Ltd and Devyani International Ltd.

OFFER DETAILS

Name of Selling Shareholders	Offer for Sale - No. of Shares:	Average Cost of Acquisition per Equity Share (₹)
	Upto 14,481,942 Equity Shares	
The Promoter Group Selling Shareholder:		
The Karan Soni 2018 CG-NG Nevada Trust	Upto 1,100,000 Equity Shares	Nil
The Meher Soni 2018 CG-NG Nevada Trust	Upto 1,100,000 Equity Shares	Nil
Pamela Soni	Upto 2,200,000 Equity Shares	6.27
The Investors Selling Shareholders:		
<i>Ashoka Investment Holdings Ltd</i>	<i>Upto 7,180,642 Equity Shares</i>	88.45
Ambadevi Mauritius Holding Ltd	Upto 2,154,192 Equity Shares	88.45
The Individual Selling Shareholders	Upto 747,108 Equity Shares	105.74*

*Except Mark Louis Dawson who offers 20,870 shares has Average cost of ₹147.36 and Mistry Marie Garcia who offers 826 shares has Average cost of ₹105.64

SHAREHOLDING PATTERN

Shareholders	Pre-offer		No. of Shares offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoters Group					
<i>Promoter</i>	9,195,090	20.37%		9,195,090	20.37%
<i>Promoters Group</i>	24,898,038	55.17%	4,400,000	20,498,038	45.42%
Total for Promoter and Promoter Group	34,093,128	75.54%	4,400,000	29,693,128	65.79%
<i>Public – Investor Selling Shareholders</i>	9,334,834	20.68%	9,334,834	0	0.00%
<i>Public – Individual Selling Shareholders</i>	747,108	1.66%	747,108	0	0.00%
<i>Public - Other</i>	67,136	0.15%	0	14,549,078	32.24%
Total for Public Shareholders	10,149,078	22.49%	10,081,942	14,549,078	32.24%
Shares held by Employee Trusts	891,552	1.97%	0	891,552	1.98%
Total Equity Share Capital	45,133,758	100.00%	14,481,942	45,133,758	100.00%

BUSINESS OVERVIEW

Uniparts India Limited (“Uniparts”) is a global manufacturer of engineered systems and solutions and are one of the leading suppliers of systems and components for the off-highway market in the agriculture and construction, forestry, and mining (“CFM”) and aftermarket sectors on account of their presence across over 25 countries. Uniparts is a concept-to-supply player for precision products for off-highway vehicles (“OHVs”) with presence across the value chain. Their product portfolio includes core product verticals of 3-point linkage systems (“3PL”) and precision machined parts (“PMP”) as well as adjacent product verticals of power take off (“PTO”), fabrications and hydraulic cylinders or components thereof. They have a leading presence in the manufacture of 3PL and PMP products globally on account of them serving some of the largest global companies. Most of their products are structural and load bearing parts of the equipment and are subject to strict tolerances, specifications, and process controls. A series of precision engineering process steps converge in to manufacturing of these products. Uniparts had an estimated 16.68% market share of the global 3PL market in Fiscal 2022 in terms of value and an estimated 5.92% market share in the global PMP market in the CFM sector in Fiscal 2022 in terms of value. They also cater to the aftermarket segment especially for 3PL product range. Uniparts provides replacements of 3PL parts to organized aftermarket retailers and distributors in North America, Europe, South Africa, and Australia.

The world market for 3PL was between USD 360 - 370 million in 2021 and is expected to grow at nearly 6% and 8% between 2021 – 2026, buoyed by robust growth in tractor production volumes in North America, India and Europe,

steady growth in China and Japan. A major driver of 3PL demand is tractors and the demand for 3PL is set to grow at a steady, healthy pace. Although India and China have a share of nearly 62% of the world tractor production, their share in global 3PL demand is only around 36%. North America, being one of the most mature tractor markets, contributes around 11% of the world tractor demand, and contributed almost 18% of the total demand for 3PL in the world in 2021. The global market for PMP for articulated joints was USD 648 million in 2021, with 80% and above of the demand from 4 key geographies, China, Japan, Europe, and North America. The demand for PMP products is expected to grow at a healthy CAGR of 6% and 8% between 2021 and 2026, powered by strong volume growth in construction equipment production in key markets such as Japan and Europe.

Uniparts is well positioned to benefit from increasing mechanization in the agriculture and CFM sectors, through leveraging their global business model, which allows them to efficiently serve OEMs across multiple global locations, contributing to their increasing efforts to rationalize their supply chain and asset/working capital management.

Uniparts offers fully integrated engineering solutions from conceptualization, development and validation to implementation and manufacturing of their products. The conceptualization stage involves acquiring market intelligence, assessing customer requirement, and formulating customized strategy for individual customers. The development phase includes product designing, material procurement and processing. This is followed by the validation phase, which involves prototyping, testing and feasibility analysis. Company's in-house manufacturing and implementation competencies include forging, machining, fabrications, heat treatment, surface finish, logistics, quality and testing, design, and validation. By means of servicing their aftermarket segment customers, their products find indirect access to a large set up of retail stores across geographies for aftermarket components. Within the aftermarket category, Uniparts is focused on the 'will-fit' parts segment, sold to distributors and retail chain stores.

In Fiscal 2020, 2021 and 2022, and in the 3 months ended June 30, 2022, revenue generated from the agriculture and CFM segments together constituted 95.74%, 96.07%, 95.35% and 95.13%, respectively, of the total revenue from operations.

CLIENT BASE

Company's customer base comprises the number of the global OEMs. They have long-term relationships with global OEM players in the agriculture and CFM sectors, such as

Global OEM players in the agriculture and CFM sectors	Organized aftermarket players and large farm and fleet retail store chains in Europe and the US:
<ul style="list-style-type: none"> • Tractors and Farm Equipment Ltd ("TAFE"), • Doosan Bobcat North America ("Bobcat"), • Claas Agricultural Machinery Pvt Ltd ("Claas Tractors"), • Yanmar Global Expert Co Ltd ("Yanmar") • LS Mtron Ltd. 	<ul style="list-style-type: none"> • Kramp Groep B.V. ("Kramp"), • Tractor Supply Company ("TSC").

In Fiscal 2022, Company's customer base comprised over 125 customers in over 25 countries globally. Bobcat, TAFE and Kramp are some of the customers with whom they have relationships for over 15 years, while with customers like Yanmar, they have a relationship with for over 10 years. More recently, they have added TSC and Kobelco Construction Equipment India Pvt Ltd ("Kobeleco") as their customers. Customers they acquired in 2017 onwards, accounted for 6.97%, 11.13%, 9.73% and 9.46%, respectively, of their revenue from operations in Fiscal 2020, 2021 and 2022, and in the 3 months ended June 30, 2022.

As of June 30, 2022, they have a global footprint and served customers across countries in North and South America, Europe, Asia and Australia, including India. They primarily serve OHV players including OEMs and aftermarket retail store chains, through their global business model based on their dual-shore integrated manufacturing, warehousing and supply chain management systems and solutions. Their global business model has contributed to the evolution of their relationships with their key customers, as they are able to serve multiple delivery locations and provide multiple delivery options with flexible lead times and costs, allowing them to better serve their customers with multiple price points based on different delivery models.

Their global business model is based on their sales in regions outside India ("**International Sales**"); sales from their dual shore manufacturing facilities in India and United States, in their respective domestic markets ("**Local Deliveries**"); export sales from Indian locations directly to overseas customers ("**Direct Exports**"); and sales from their warehousing facilities in their respective domestic markets ("**Warehouse Sales**").

The details of the revenues based on the global business model:

Particulars	3 months ended Jun' 30, 2022		Year Ended March 31,					
	Revenue (₹ in Cr)	% of Revenue from operations	2022		2021		2020	
			Revenue (₹ in Cr)	% of Revenue from operations	Revenue (₹ in Cr)	% of Revenue from operations	Revenue (₹ in Cr)	% of Revenue from operations
International Sales	284.96	82.16%	1,012.09	82.46%	725.54	80.33%	758.00	83.55%
Local Deliveries	86.38	24.91%	296.64	24.17%	254.70	28.20%	294.56	32.47%
Direct Exports	105.12	30.31%	389.36	31.72%	242.85	26.89%	206.50	22.76%
Warehouse Sales	142.42	41.06%	490.78	39.98%	371.31	41.11%	371.54	40.95%

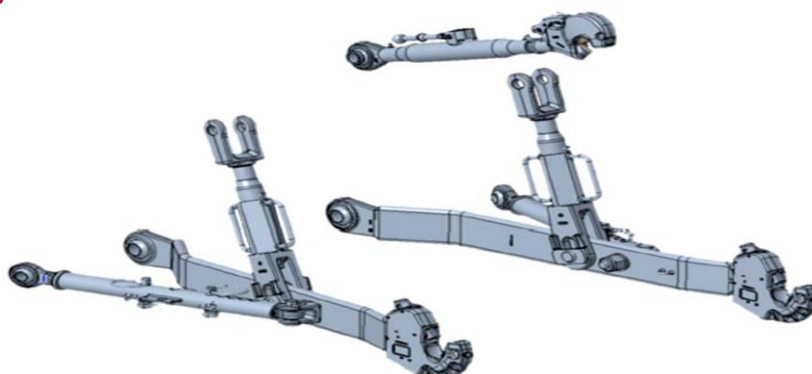
In India, Uniparts has 5 manufacturing facilities, 2 at Ludhiana, Punjab, 1 at Visakhapatnam, Andhra Pradesh, and 2 at Noida, Uttar Pradesh. They also have set-up a distribution facility in Noida, Uttar Pradesh. In the United States, they have a manufacturing, warehousing and distribution facility at Eldridge, Iowa, acquired pursuant to their acquisition in 2005 of Olsen Engineering LLC, now known as Uniparts Olsen Inc. ("UOI") and a warehousing and distribution facility at Augusta, Georgia. They have also set up a warehousing and distribution facility in Hennef, Germany, which serves as their base for serving their key European customers. Each of their facilities are strategically located in proximity to several global OEMs in the OHV industry.

Uniparts is promoted by first generation entrepreneurs, Gurdeep Soni, their Chairman and Managing Director, and Paramjit Singh Soni, their Executive Director and Vice Chairman, who have over 3 decades of experience in this business. Their Group Chief Operating Officer, Sudhakar S Kolli and the Non-Executive Director, Herbert Coenen have extensive experience in OHV space having worked with global corporations in the past. Under their leadership they have been able to expand their operations and have established a significant presence in India and globally. Their management team is strategically located in key end-markets with Paramjit Singh Soni in the United States, Gurdeep Soni and Sudhakar S Kolli in India and Herbert Coenen in Germany.

BUSINESS OPERATIONS

Uniparts manufacture products under 2 core product verticals 3PL and PMP. They also manufacture products for adjacent product verticals that include hydraulic cylinders, PTOs and fabrications.

3-Point linkage (3PL):



The 3PL system forms a group of assemblies allowing an implement like a plough to be attached to the tractor at 3 coupling points, forming a triangle. Most tractors are equipped with a 3PL system and are classified according to International Organization for Standardization ("ISO") 730 in 4 categories, based on the engine rating. The 3PL transfers the entire load, which can be a multiple of the implement weight, between the tractor and implement. The parts are highly loaded and exposed to fatigue as well as wear and tear, particular in the joints, due to movement under high load condition. The primary function of the 3PL is to transfer the weight and load of an implement to the wheels of a tractor and to allow the adjustment of different positions by lifting and lowering the implement.

The 3PL comprises different parts:

- 2 lower arms called draft link or lower link, forming 2 out of the 3 coupling points,
- 2 lift rods connecting the two lower links with 2 lift arms, which are not part of the 3PL but form part of the hydraulic lift,

- 1 top link or center link, acting as a connecting rod and forming the third coupling point,
- Stabilizer systems controlling the lateral movement of the lower links.

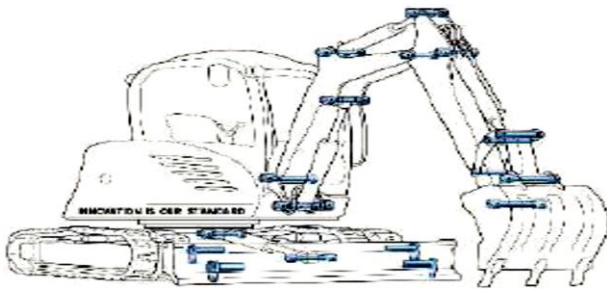
The design features of a 3PL can be broadly classified as follows:

- **Standard:** Basic design of all components with simple joints to connect the implement to the tractor,
- **Telescopic:** In this design, the lower links do not have standard ball joints at the interfacing joining the implement,
- **Quick Coupler:** The lower links are equipped with a claw allowing the operator to remain in the operator station and to connect or disconnect an implement from the operator station,
- **Frame Coupler:** This is a version of a quick coupler using a frame/single piece joined with the implement.

3PL – Manufacturing Facilities: Uniparts has 4 manufacturing facilities in India, producing 3PL. Their 2 Noida, Uttar Pradesh facilities serve as their hub for the domestic market and serves export customers. Their Visakhapatnam, Andhra Pradesh facility primarily serves export customers. Their SKG, Ludhiana, Punjab facility primarily serves the Indian domestic 3PL market.

Precision machined parts (PMP):

PMP in Articulated Joints



PMP – Pins and Bushes



PMP is a group of components that require stringent material and manufacturing specifications and controls, used in applications across OHVs, ranging from engine parts and transmission components to particular parts for joints in agricultural and construction applications. Of their construction PMPs, the majority is used in articulated joints (hinges) where arms, booms and cylinders are attached to each other. These articulated joints are the single largest application of PMP for them. The size varies in terms of weight from less than 1 kg per part to more than 100 kg per part depending on the application they service.

PMP – Manufacturing Facilities: Uniparts has 4 manufacturing facilities producing PMP in India, 1 at Visakhapatnam, Andhra Pradesh and 1 at Farmparts, Ludhiana, Punjab, and 2 at Noida, Uttar Pradesh. In addition, 1 facility at Eldridge, Iowa, United States (“Eldridge facility”) serves the North American market.

Hydraulic Cylinders

Hydraulic cylinders are used as actuators to move mechanized components, by generating linear motion along an axis. Hydraulic cylinders are powered by a fluid, typically oil. Hydraulic cylinders may be ‘double acting’ hydraulic cylinders, which are powered to extend or reduce the length, or ‘single acting’ hydraulic cylinders, which are only powered to move in one direction. Plunger cylinders form a subcategory of single acting cylinders, using the rod as a piston, where the rod is only slightly smaller than the inner diameter of the tube.

Hydraulic Application: The company seeks to focus on applications that are synergetic to their existing applications and existing customers. The hydraulic top links, which are a special design used in the 3PL application by the aftermarket as a retro fit and also by OEMs in lieu of mechanical top links. The lift cylinders, which are used in the hydraulic lift of a tractor. In addition, many of their PMP applications interface with cylinders.

Hydraulic Cylinders – Manufacturing Facilities: Uniparts has hydraulic cylinder manufacturing capabilities at their Visakhapatnam, Andhra Pradesh facility.

Power Take Off (PTO)

PTO is a device used to drive implements such as rotary tillers, mowers and other equipment requiring a mechanical drive by the tractor. The PTO transmits power from the tractor to the implement and is used to distribute the power

within the machine. The PTO is implement-specific and part of the implement and, therefore, each implement has one main shaft and, in many cases, secondary shafts to distribute the power within the implement. Uniparts is currently focused on producing PTO for the agriculture sector, which allows the transfer of power from the tractor to the implement. This product is a low-speed shaft used at standard speeds ranging between 540 rpm and 1,000 rpm.

The design and features of PTO used for agricultural purposes are different from PTO shafts used in commercial truck or industrial applications. They differ in operating speed, joint design, design of telescopic members and the guard, which is mandatory, and are required to comply with international safety norms. The initial applications are rotavators, reapers, pumps and threshers. According to ISO standards, PTOs are classified into different sizes and power ratings specifying the power and torque that they can transmit.

PTO – Manufacturing Facilities: Uniparts manufacture PTO components at their Farmparts, Ludhiana, Punjab facility as well as at their facility at Noida, Uttar Pradesh for OEMs as well as for sale in the aftermarket.

Fabrications

Agriculture as well as construction equipment use fabrications ranging from large structural parts and chassis to small and medium in size with no chassis parts. These parts vary in terms of size as well as design specifications and manufacturing process complexity. These parts can be high on metal content (primarily steel) and utilize processes such as bending, welding and surface finishing. The design of such parts typically varies and is dependent on the type of vehicle and OEM's specifications. The fabrication parts include hitch frames, A-frames, front-end loader parts, grain lifters and engine frames.

Fabrication – Manufacturing Facilities: Uniparts primarily manufacture fabrication components at their SKG facility at Ludhiana, Punjab for OEMs as well as for sale in the aftermarket segment.

MANUFACTURING, WAREHOUSING AND DISTRIBUTION FACILITIES



Manufacturing Facilities

Ludhiana, Punjab	Uniparts currently has 2 manufacturing facilities in Ludhiana, covering an aggregate area of approx. 4.47 acres and an aggregate built-up area of approx. 216,603.00 sq. ft. An ISO 9001:2015 certified facility is source of machined forging.
Visakhapatnam, Andhra Pradesh	An ISO 14001:2015 and ISO 9001:2015 certified manufacturing facility was commissioned in Fiscal 2009 and is situated within an SEZ and dedicated to their export operations. This is an integrated and large facility and is located across an aggregate area of approx. 30 acres and an aggregate built-up area of 300,008.04 sq. ft., including 85,577.14 sq. mts. of unutilized area available for scaling up of the operations.
Noida, Uttar Pradesh	Uniparts has 2 manufacturing facilities in Noida, established in 2 phases in Fiscal 2000 and Fiscal 2006. These facilities are set up across two plots, across an aggregate area of approximately 8.185 acres and an aggregate built-up area of approximately 197,559.00 sq. ft. These facilities primarily serve the 3PL and PMP segments, primarily for the agriculture and CFM sectors. Both these facilities are ISO 9001:2015 and ISO 14001:2015 certified.
Eldridge, Iowa, United States	Uniparts has a manufacturing, warehousing and distribution facility in Eldridge, Iowa, United States acquired pursuant to their acquisition in 2005 of UOI. This facility has been set up across an aggregate area of approx. 9.52 acres and a built-up area of approx. 136,481.00 sq. ft. In addition, they leased additional area of approx. 15,000.00 sq. ft. of built-up area which is being utilized for warehousing purposes. This facility is ISO 9001:2015 certified.

Warehousing and Distribution Facilities	
<i>Augusta, Georgia, United States</i>	Uniparts currently has 1 large, leased location that serves as a complete warehouse, which is 8 acres. This warehousing facility is completely managed by their own resources and systems and processes. This facility serves as their base for serving their North and South American customers, as well as aftermarket retail stores.
<i>Hennef, Germany</i>	Uniparts has a 2,063.68 sq. mt. warehousing and distribution facility in Europe, in Hennef, Germany, which has been taken on lease since Fiscal 2010. This facility serves as their base for serving their key European customers.

Installed Capacity and Capacity Utilization

Manufacturing Facility	3 months ended Jun'30, 2022			As of/for March 2022			As of/for March 2021			As of/for March 2020		
	Installed Capacity	Production	Capacity Utilization(%)	Installed Capacity	Production	Capacity Utilization(%)	Installed Capacity	Production	Capacity Utilization(%)	Installed Capacity	Production	Capacity Utilization(%)
B-208, Noida	3,750	2,538	67.69%	15,000	12,357	82.38%	15,000	9,551	63.68%	16,500	8,944	54.21%
GFPL, Noida	2,100	1,623	77.27%	8,400	7,028	83.67%	7,200	5,045	70.07%	6,600	4,629	70.13%
Visakhapatnam	3,360	2,456	73.08%	13,440	11,046	82.19%	13,440	7,911	58.86%	13,440	8,380	62.35%
Farmparts, Ludhiana	2,595	2,338	90.11%	10,020	10,133	101.13%	9,500	7,698	81.03%	9,000	6,250	69.44%
SKG, Ludhiana	3,750	2,808	74.87%	15,000	11,746	78.31%	13,500	9,602	71.13%	12,000	8,137	67.81%
Elride, USA	1,275	559	43.84%	5,100	2,486	48.75%	5,100	2,397	47.00%	7,200	3,959	54.99%

VALUE ENGINEERING AND PROCESS INNOVATION

Uniparts differentiate themselves from other component suppliers through their in-house value engineering and process innovation capabilities, supported by product development programs undertaken jointly with some of their key customers, translating into their diversified presence across sectors, markets, and product verticals. Over the years, they have become an integral part of the global and local supply chains of some their key customers. They have benefited from their strategic acquisition of UOI in 2005, which catalyzed the growth of their PMP product vertical and their growth in the CFM sector. They continue to collaborate with their key customers on joint product development and process innovation programs, to upgrade and customize their products in tandem with customer specifications and requirements.

As part of their transition from a component manufacturer to solutions provider and further as a system integrator, they have, over the years added several products to their portfolio such as rear hitch, front hitch, hydraulic lift arms, power take off, trailer hitch and more which allow them to offer integrated system solutions to meet their customer requirements and move up the value chain. As part of expanding their product portfolio with solutions for adjacent vehicle and equipment types such as utility task vehicles and all-terrain vehicles, they have developed prototypes of system solutions which are currently in the trial phase. Also, they have extended the PMP portfolio to more products with a technology focus such as plungers and transmission components.

KEY STRENGTHS

- **Leading market presence in global off-highway vehicle systems and components segment**

Uniparts is a global manufacturer of engineered systems and solutions and is one of the leading suppliers of systems and components for the off-highway market in the agriculture and CFM and aftermarket sectors on account of their presence across 25 countries. Company's leading presence in the 3PL and PMP verticals inspires customer confidence in their products, which is expected to fuel their growth going forward.

As per the CRISIL Report, between 2021 and 2026, the global tractor production volume is estimated to grow at a CAGR of 4.1% while the 3PL market is expected to grow at a CAGR of 6% - 8%. In addition, the demand for PMP products is expected to grow at a healthy CAGR of 6% and 8% between 2021 and 2026, powered by strong volume growth in construction equipment production in key markets such as Japan and Europe (*Source: CRISIL Report*). Uniparts is able to leverage their dual-shore manufacturing capabilities to serve customers and address their requirements. The United States government has passed a USD 1 trillion bipartisan plan in November 2021 to rebuild roads and bridges, modernize public works systems and boost broadband internet, among other major improvements to the nation's infrastructure and they expect that this will positively affect their growth.

- Engineering driven, vertically integrated precision solutions provider**

Company's offerings include 3PL and PMP and addresses adjacent products such as PTO, fabrications, and hydraulic cylinders. Their significant backward and forward integration reduces their dependence on external supply and support services and enables maintenance of quality controls required to service global OEMs and aftermarket players. Most of their products are critical, structural and load bearing parts of equipment and are subject to strict tolerances and specifications.

The revenues based on the product verticals:

Particulars	3 months ended Jun' 30, 2022		Year Ended March 31,					
			2022		2021		2020	
	Revenue (₹ in Cr)	% of Revenue from operations	Revenue (₹ in Cr)	% of Revenue from operations	Revenue (₹ in Cr)	% of Revenue from operations	Revenue (₹ in Cr)	% of Revenue from operations
3PL	199.80	57.60%	683.96	55.72%	506.66	56.10%	427.96	47.17%
PMP	122.99	35.46%	447.12	36.43%	339.73	37.62%	432.31	47.65%
PTO Applications	2.95	0.85%	12.23	1.00%	8.21	0.91%	6.45	0.71%
Fabrication	2.71	0.79%	13.00	1.06%	8.41	0.93%	7.72	0.85%
Hydraulic Cylinders	0.13	0.04%	0.72	0.06%	0.79	0.09%	0.67	0.07%
Others*	18.25	5.26%	70.40	5.74%	39.35	4.36%	32.12	3.54%
Total	346.84	100.00%	1,227.42	100.00%	903.14	100.00%	907.22	100.00%

* Others includes scrap sales and export incentive income.

Over the years, they have evolved from a component supplier to a provider of complete assemblies of precision engineered products and end-to-end solutions ranging from product conceptualization, design, prototyping, testing, development and assembly to customized packaging and delivery, becoming an integral part of certain of their customers' global supply chains.

As part of their transition from being solely a component manufacturer to solutions provider and further to a systems integrator, they have over the years introduced several products to their product portfolio including rear hitch, front hitch, hydraulic lift arms, PTOs and trailer hitch which allow them to offer integrated system solutions to meet their customer requirements and move up the value chain.

- Global business model optimizing cost-competitiveness and customer supply chain risks**

Company's global business model serves as an effective solution for customers seeking to rationalize their global sourcing and supply chain by providing them multiple choices in the form of Local Deliveries, Direct Exports and Warehouse Sales, while at the same time helping them to manage costs and increase their margins. Company's India-led manufacturing and overseas-led warehousing coupled with localized customer service capabilities have been a key driver for the growth of their operations. Their global business model also enables them to diversify their margins based on different delivery models for the same product.

As part of their offerings to the aftermarket segment, they provide product replacement and add-on parts to end users over the full life cycle of the equipment, after the original purchase is made. Their revenues are diversified across geographies, given their presence in Indian and international markets, across industry sectors and across product verticals. Their global presence has allowed them to deepen their relationships with their customers over time.

The revenues based on the key geographies served by Uniparts:

	3 months ended Jun' 30, 2022		Year Ended March 31,					
			2022		2021		2020	
	Revenue (₹ in Cr)	% of Revenue from operations	Revenue (₹ in Cr)	% of Revenue from operations	Revenue (₹ in Cr)	% of Revenue from operations	Revenue (₹ in Cr)	% of Revenue from operations
USA	169.73	48.94%	575.77	46.91%	434.92	48.16%	518.99	57.21%
Europe	79.38	22.89%	310.93	25.33%	210.63	23.32%	165.03	18.19%
India	48.96	14.12%	164.69	13.42%	143.33	15.87%	114.60	12.63%
Japan	16.53	4.77%	59.95	4.88%	40.83	4.52%	42.08	4.64%
Asia-Pacific	8.95	2.58%	27.24	2.22%	16.93	1.87%	16.68	1.84%
Rest of the World	10.38	2.99%	38.19	3.11%	22.23	2.46%	15.24	1.68%
Total	333.92	96.27%	1,176.78	95.87%	868.86	96.20%	872.61	96.18%

- **Long-term relationships with key global customers, including major original equipment manufacturers**

Uniparts has developed long-term relationships with global customers in the agriculture and CFM sectors.

The revenues based on sales to the OEM customers in the agriculture and CFM sectors:

Particulars	3 months ended Jun' 30, 2022		Year Ended March 31,					
	Revenue (₹ in Cr)	% of Revenue from operations	2022		2021		2020	
			Revenue (₹ in Cr)	% of Revenue from operations	Revenue (₹ in Cr)	% of Revenue from operations	Revenue (₹ in Cr)	% of Revenue from operations
Agriculture segment	244.74	70.56%	865.48	70.51%	630.38	69.80%	544.16	59.98%
CFM segment	85.20	24.56%	304.88	24.84%	237.27	26.26%	324.46	35.76%
Others	3.98	1.15%	6.42	0.52%	1.22	0.13%	3.98	0.43%
Total	333.92	96.27%	1,176.78	95.87%	868.86	96.20%	872.61	96.18%

Uniparts has wide and deep relationships with their key OEM customers. Over the years, for various OEM customers, they have developed relationships and received orders from multiple business divisions and locations globally, including through their efforts to cross sell different products to their global OEM customers. Their manufacturing, designing, and testing capabilities coupled with the capability to leverage their global business model has helped them develop and maintain long-term relationships with a number of their customers.

- **Strategically located manufacturing and warehousing facilities that offer scale and flexibility**

Currently Uniparts operates 6 strategically located manufacturing facilities spread across India and the United States. As on June 30, 2022, their aggregate installed capacity across these manufacturing facilities was 67,320 MTPA. The dual-shore capabilities, which is their ability to undertake manufacturing products at different locations, allow them to service customer requirements from alternate locations, providing customers the benefit of regular supply and cost-competitive manufacturing operations.

Over the years, they have built significant in-house end-to-end manufacturing process capabilities and expertise. Their shop floor capabilities coupled with their design and testing capabilities enable them to serve as a comprehensive solutions provider for the precision engineering product requirements of their customers. Over the years, they have focused on creating robust manufacturing systems and processes. Their facility in the United States is ISO 9001:2015 certified while all their Indian facilities are also ISO 14001:2015 certified. **Uniparts also has 3 international warehousing facilities in Germany and the United States.**

- **Healthy financial position with robust financial performance metrics**

Over the years, their revenue from operations have remained stable despite the impact of the COVID-19 pandemic on company's business operations. They have a healthy balance sheet position with net worth of ₹ 713.93 crore as of June 30, 2022 and have been able to maintain a low debt position. They have prudently utilized their resources, which has enabled them to fund their capital expenditure through internal accruals and have been able to reduce their total debt.

The company expects that their operational and financial performance will allow them to capitalize on the tailwinds in the engineering solutions industry.

- **Experienced Promoters and qualified senior management team**

Uniparts benefited significantly from their experienced management and technical teams, including their Promoter and Chairman and Managing Director, Gurdeep Soni, who is in charge of their aftermarket business, their Promoter and one of their Executive Directors and Vice Chairman, Paramjit Singh Soni, who is in charge of OEM business, inorganic growth and strategic initiatives, who each have over 3 decades of experience in this business. The Group Chief Operating Officer, Sudhakar S Kolli, is in-charge of their overall operations, business development and marketing and has over 25 years of experience. One of the Directors, Herbert Coenen, is in-charge of business development, marketing and technology advancement has more than 35 years of experience in the international OHV market, and in the industry and the markets in which they operate. Their management team is strategically located in key end markets with Paramjit Singh Soni in the United States, Gurdeep Soni and Sudhakar S Kolli in India and Herbert Coenen in Germany. As of June 30, 2022, they had 186 full-time employees having engineering degrees while 167 others are technical diploma holders and 94 have other professional qualifications.

KEY GROWTH STRATEGIES

- ***Leverage integrated precision engineering capabilities and established global business model, to tap additional business opportunities and expand addressable market***

Uniparts has established an end-to-end and scalable business model which caters to the number of requirements of their customers in the OHV market. They intend to leverage their manufacturing and warehousing infrastructure, global footprint and value proposition to expand further in newer geographies, adjacent product verticals, acquire additional customer accounts as well as increase wallet share among their existing customers. They intend to achieve this by focussing on increasing the share of customer spend per vehicle by manufacturing additional 3PL products for more than 60 horsepower vehicles, PMP products for large construction equipment, fabrication solutions such as agriculture implements and construction attachments, and new PTO applications. They are also actively exploring adjacent vehicle and equipment types such as utility task vehicles and all-terrain vehicles where they have developed prototypes of system solutions that are currently in trial phase. There exist significant opportunities to cross-sell their products.

- ***Focus on higher value addition products and enhanced service offerings to improve the margin profile***

Uniparts continually evaluate product and service opportunities enabling movement towards higher value-addition and improving margin profile of their revenue portfolio. The company endeavour to ensure that new business opportunities are margin accretive. They intend to continue to increase the proportion of their warehousing sales in their overall sales model mix, as this delivery model carries premium and is margin accretive. They regularly evaluate existing manufacturing portfolio as well and undertake calibrated relocation of manufacturing any identified products to optimize cost structure and resulting margins. They intend to further expand their product portfolio with solutions for adjacent vehicle and equipment types such as utility task vehicles and all-terrain vehicles as well as focus on PMP products with a technology focus, such as, plungers and transmission components.

- ***Target new customer accounts and expand existing customer accounts***

The company intends to increase their sales and customer penetration by targeting new customer accounts and expanding their existing customer accounts in their principal markets by offering their entire range of products. They intend to continue to consolidate and develop their relationships with large and renowned global OEMs whose product portfolios are spread across industries such as agriculture, CFM and industrial equipment. They intend to offer their customers additional 3PL and PMP products to meet their customers' requirements and thereby growing their share of customers spend per vehicle. Between 2021 and 2026, growth is expected to be driven by Europe and India due to higher expected investment in infrastructure projects.

- ***Enhance engineering, innovation and design competence***

The company endeavours to focus on process and product innovation and value engineering solutions to meet the requirements of a wider range of vehicles, geographies, applications and other customer specifications, so as to strengthen and diversify their customer and product portfolio.

They seek to continue to improve their in-house value engineering, testing, design and process innovation capabilities through human resource and technical development, as well as exploring opportunities for collaboration and inorganic growth and continuing to work closely with their key customers to upgrade and customize their products, in particular, to increase sales of 3PL products in the higher horsepower (more than 60HP) tractor segment and of PMP, hydraulic cylinders and PTO applications, while maintaining and improving their market share in the 3PL and PMP verticals.

- ***Grow inorganically through strategic acquisitions and alliances***

Uniparts intends to focus on acquiring businesses with high growth and performance potential, along with their existing customer relationships and product and process competencies, and to integrate and grow their businesses through enhanced quality and delivery parameters, engineering support, integration of IT systems and ERP platforms with manufacturing support from India, coupled with their management know-how and experience. While they will also evaluate any opportunistic acquisitions that are viable, their primary strategy is to focus on identifying financially stable and performing assets for acquisition. They intend to explore opportunities in Europe, which would give them a manufacturing base in the continent, as well as opportunities in the United States to complement their existing business. They may also seek to expand their international warehousing and distribution operations, based on demand and delivery logistics in various geographies.

COMPETITION

Company's ability to offer end-to-end solutions to their customers (such as entire 3PL assemblies), instead of individual components, and their emphasis on the global business model to meet the customers' varying requirements, differentiate them from their competition and effectively function as an entry barrier for suppliers.

Certain key players for PMP includes **General Grind & Machine (Headquartered in Illinois, United States)**, **Società Italiana Boccole Srl (headquartered in Bologna, Italy)**, **Vishal Engineers (headquartered in Haryana, India)**. Key Players for 3PL includes **CBM Group (headquartered in Modena, Italy)**, **GNK Walterscheid plc (headquartered in Lohmar, Nordrhein-Westfalen, Germany)**, **Maxiforja Componentes Automotivos (headquartered in Canoas, Brazil)**, **Sudtrac Linkages (headquartered in Haryana, India)**, **Delica Co., Ltd. (headquartered in Matsumoto, Japan)**.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2022)

Name of the Bank	Consolidated/ Standalone	Face Value	Total Income for FY 2022 (₹ Cr)	EPS		NAV [^]	P/E	RoNW (%)
				Basic	Diluted			
Uniparts India Ltd	Consolidated	10	1,231.04	37.74	36.98	151.82	[•]	24.35%
Listed Industry Peers								
Balkrishna Industries Ltd	Consolidated	2	8,733.04	74.25	74.25	358.63	26.44	20.70%
Bharat Forge Ltd	Consolidated	2	10,656.98	23.23	23.23	142.33	36.73	16.25%
Ramkrishna Forging Ltd	Consolidated	2	2,321.71	12.43	12.43	67.45	18.60	18.36%

Source: RHP; ^{*}P/E Ratio has been computed based on the closing market price (November 15, 2022) of equity shares on BSE.

Comparison of Key Performance Indicators for Fiscal 2022 with listed industry peers:

(₹ Cr, except percentages and ratios)

	Uniparts India	Balkrishna Industries	Bharat Forge	Ramkrishna forgings
Revenue from Operations	1,227.42	8,295.12	10,461.08	2,320.25
EBITDA	271.66	2,446.67	2,363.63	518.45
EBITDA Margin (%)	22.13%	29.50%	22.59%	22.34%
Profit for the year / period	166.89	1,435.38	1,077.06	198.03
Profit for the year / period Margin (%)	13.60%	17.30%	10.30%	8.53%
Return on Average Equity ("RoAE") (%)	26.80%	22.20%	17.84%	20.20%
Return on Capital Employed ("RoCE") (%)	31.00%	22.19%	15.84%	13.42%
Net Debt / EBITDA Ratio	0.42	0.73	1.29	2.90

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Uniparts India Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed the RHP with the RoC and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of Securities and Exchange Board of India at www.sebi.gov.in, on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com as well as on the websites of the BRLMs, Axis Capital Limited at www.axiscapital.co.in. Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

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