

Rating

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(Only for High Risk Investors)

Issue Offer

Issue Opens on	Nov 30, 2022
Issue Close on	Dec 02, 2022
Total IPO size (cr)	835.61
Fresh issue (cr)	Nil
Offer For Sale (cr)	835.61
Price Band (INR)	548-577
Market Lot	25
Face Value (INR)	10
Retail Allocation	35%
Listing On	NSE, BSE

Objects of the issue

- Offer for sale.

Issue Break-up (%)

QIB Portion	50
NIB Portion	15
Retail Portion	35

Shareholding (No. of Shares)

Pre Issue	45,133,758
Post Issue	45,133,758

Indicative Timetable

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

Incorporated in 1994, Uniparts India Limited is a manufacturer of engineered systems and solutions. The company is a leading suppliers of systems and components for the off-highway market in the agriculture and construction, forestry and mining ("CFM") and aftermarket sectors with presence across over 25 countries. The Company's 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.

- The Company offer fully integrated engineering solutions from conceptualization, development and validation to implementation and manufacturing of its products.
- The world market for 3PL was between USD 360 million and USD 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.
- The company have global footprint and served customers across countries in North and South America, Europe, Asia and Australia, including India. In India, the company have five manufacturing facilities, two at Ludhiana, Punjab, one at Visakhapatnam, Andhra Pradesh, and two at Noida, Uttar Pradesh.
- Uniparts also have a manufacturing, warehousing and distribution facility at Eldridge, Iowa, acquired under the acquisition in 2005 of Olsen Engineering LLC, now known as Uniparts Olsen Inc. ("UOI") and a warehousing and distribution facility at Augusta, Georgia.
- Uniparts primarily serve OHV players including OEMs and aftermarket retail store chains, through the global business model based on the dual-shore integrated 158 manufacturing, warehousing and supply chain management systems and solutions.

Outlook & Valuation: Uniparts is an Indian-based global manufacturer of engineered systems and solutions. The Group is one of the leading suppliers of systems and components for the off-highway market. The company's major business areas are agriculture, construction, forestry, and after-market. The company has a leading market presence, a global business model, and long-term relationships with key customers. It also enjoys a healthy financial position with continuous growth in revenue and profit and improving margins. As for the risk factor, the issue is a complete offer for sale. However, the issue is attractively priced at a P/E valuation of 15.61, which is lesser than its listed peers, and thus we assign a **Subscribe rating to this issue for aggressive investors.**

KEY MANAGERIAL PERSONNEL

- Gurdeep Soni is the 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.
- Paramjit Singh Soni is an 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 this Company.
- 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.
- Munish Sapra is the Group Chief Financial Officer of the Company. He is a qualified chartered accountant. He has over 27 years of experience in the fields of finance and accounts.
- Jatin Mahajan is the Company Secretary and Compliance Officer and Head – Legal and Secretarial of the Company.

COMPETITIVE STRENGTHS

- Leading market presence in global off-highway vehicle systems and components segment.
- Engineering driven, vertically integrated precision solutions provider.
- Global business model optimizing cost-competitiveness and customer supply chain risks.
- Long-term relationships with key global customers, including major original equipment manufacturers, resulting in a well-diversified revenue base.
- Strategically located manufacturing and warehousing facilities that offer scale and flexibility
- Healthy financial position with robust financial performance metrics
- Experienced Promoters and management team.

KEY STRATEGIES

- Leverage integrated precision engineering capabilities and established global business model.
- Focus on higher value addition products and enhanced service offerings to improve the margin profile.
- Target new customer accounts and expand existing customer accounts.
- Enhance engineering, innovation and design competence.

KEY CONCERNS

- Company will not receive any proceeds from the Offer as the complete issue is offer for sale.
- Depend on a limited number of customers for a significant portion of their revenues.
- Availability and cost of raw materials and labour may adversely affect the business, financial condition, results of operations and prospects.
- Exposed to risk of foreign currency exchange rate fluctuations.
- Companies business is impacted by cyclical effects in the global and domestic economy, specifically in the agriculture and CFM sectors.

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

Name of the Company	EPS (Basic)	NAV	P/E	Total Income (Mn)	RoNW (%)
Uniparts India Limited	37.74	151.82	-	12,310.39	24.35
Peer Group					
Balkrishna Industries Limited	74.25	358.63	26.44	87,330.40	20.70
Bharat Forge Limited	23.23	142.33	36.73	106,569.78	16.25
Ramkrishna Forgings Limited	12.43	67.45	18.60	23,217.06	18.36

FINANCIALS (RESTATED CONSOLIDATED)

Particulars (Rs. In Millions)	FY 2022	FY 2021	FY 2020
Equity Share Capital	446.20	446.20	446.20
Other Equity	6,406.17	5,155.22	4,195.45
Net Worth	6,852.37	5,601.42	4,641.65
Total Borrowings	48.61	57.17	216.12
Revenue from Operations	12,274.24	9,031.42	9,072.20
EBITDA	2,716.63	1,639.27	1,278.10
Profit Before Tax	2,293.16	1,185.61	744.03
Net Profit for the year	1,668.87	931.47	626.42

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