

**Sansera Engineering Ltd.**
**Sector Automobile**
**Issue Highlights**

<b>Issue Open</b>	September 14, 2021
<b>Issue Close</b>	September 16, 2021
<b>Issue Price</b>	Rs. 734 - Rs. 744 Per Share
<b>Total Issue Size</b>	Rs. 1,283 Cr
<i>Of which</i>	
<b>Offer for Sale</b>	Rs. 1,283 Cr
<b>Face Value</b>	Rs. 2 Per share
<b>Market Lot</b>	36 Equity Shares
<b>Issue Type</b>	Book Built Issue

**Offer Structure**

<b>QIB Category</b>	50%
<b>Retail category</b>	35%
<b>Non-Institutional</b>	15%

**Lead Book Running Managers**

- ICICI Securities Ltd
- IIFL Securities Ltd
- Nomura Financial Advisory and Sec. (India) Pvt Ltd

**Registrar To The Offer**

- Link Intime India Pvt. Ltd

**About the Company**

Sansera Engineering Limited ("Sansera") is an engineering-led integrated manufacturer of complex and critical precision engineered components across automotive and non-automotive sectors. Within the automotive sector, the company manufactures and supplies a range of precision forged, machined components and assemblies that are critical for engine, transmission, suspension, braking, chassis and other systems for the two-wheeler, passenger vehicle (PV) and commercial vehicle (CV) verticals. In the non-automotive sector, they manufacture and supply a range of precision components for the aerospace, off-road, agriculture and other segments including engineering and capital goods.

Sansera is one of the top 10 global suppliers of connecting rods within the light vehicle segment (with a gross vehicle weight of 3.5 tonnes or less) and commercial vehicle segment. Within India, they are one of the leading manufacturers of (i) connecting rods, crankshafts, rocker arms and gear shifter forks for two-wheelers and (ii) connecting rods and rocker arms for passenger vehicles. As of July 31, 2021, it had 16 manufacturing facilities, of which 15 are in India and one facility is in Sweden.

**Objects of the Issue**

- To carry out the Offer for Sale of up to 17,244,328 Equity Shares by the Selling Shareholders;
- To achieve the benefits of listing the Equity Shares on the Stock Exchanges;

**Valuation**

The auto component industry revenue is expected to grow at a CAGR of 11.9% over FY2021-26 to reach Rs. 5,284bn led by OEM demand, increase in production and higher outsourcing to auto component players by OEMs. Also, exports are expected to increase at a CAGR of 9.4% over FY2021-26, driven by PLI schemes, improvement in Indian safety and emission norms and domestic companies gaining technological capabilities through joint ventures. We believe these factors are likely to benefit auto component players in the coming time.

Sansera is gaining market share across automotive and non-automotive sectors as it is one of the leading suppliers of complex and high-quality precision engineered components. The company has a well-diversified business model with a strong customer base, geographical spread of revenues from India and foreign countries such as Europe and the USA and diversified revenue stream from segments such as two-wheelers, PV and CV. Further, its long-standing relationships with well-known Indian and global OEM customers augur well for growth. Going forward, the company has a plan to further diversify into non-automotive businesses, innovate new products and develop technology to cater to growing opportunities in the electrification of vehicles. On the financial front, the company's performance has been steady and it would continue to focus on improving operating efficiencies. We have a positive view on the stock from the long term perspective.

**Key Risks:** i) Highly dependent on a few key customers. ii) Increase in raw material prices.

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Statements on ownership and material conflicts of interest , compensation– Research Analyst (RA)

[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F (j) below , are given separately]

S. No.	Statement	Answer	
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest ( if answer to F (a) above is Yes : .....

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F (j) above , are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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