

**S.J.S. Enterprises Ltd.**
**Sector Diversified**

### Issue Highlights

<b>Issue Open</b>	November 1, 2021
<b>Issue Close</b>	November 3, 2021
<b>Issue Price</b>	Rs. 531 - Rs. 542 Per Share
<b>Total Issue Size</b>	Rs. 800 Cr
<i>Of which</i>	
<b>Offer for Sale</b>	Rs. 800 Cr
<b>Face Value</b>	Rs. 10 Per share
<b>Market Lot</b>	27 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

- Axis Capital Ltd
- Edelweiss Financial Services Ltd
- IIFL Securities Ltd

### Registrar To The Offer

- Link Intime India Pvt. Ltd

### About the Company

S.J.S. Enterprises Ltd is one of the leading players in the Indian decorative aesthetics industry in terms of revenue in FY21. It is a “design-to-delivery” aesthetics solutions provider with the ability to design, develop and manufacture a diverse product portfolio for a wide range of customers primarily in the automotive and consumer appliance industries. Besides, they manufacture a wide range of aesthetic products that cater to the requirements of the commercial vehicles, medical devices, farm equipment and sanitary ware industries. They supplied over 115mn parts with more than 6,000 SKUs in FY21 to around 170 customers in 90 cities and across 20 countries. They manufacture products from modern manufacturing facilities located in Bengaluru and Pune in India. As of June 30, 2021, the annual production capacity of the Bengaluru and Pune facilities was 209.7mn and 29.5mn products respectively.

Their product offerings include decals and body graphics, 2D appliques and dials, 3D appliques and dials, 3D lux badges, domes, overlays, aluminum badges, “in-mould” label or decoration parts, lens mask assembly and chrome-plated, printed and painted injection moulded plastic parts. They also offer a variety of accessories for the two-wheelers’ and passenger vehicles’ aftermarket under the “Transform” brand.

### Objects of the Issue

- To carry out the offer for sale of equity shares by the selling shareholders;
- To achieve the benefits of listing the equity shares on the Stock Exchanges;

### Valuation

The aesthetics products industry in India generated revenue of Rs 19.9bn in FY21 led by demand for products such as decals, stickers and aluminum badges, followed by chrome-plated parts IMD/IML and appliques. Further, over the FY21-26, the demand in India is expected to grow at a CAGR of ~20% and reach ~Rs 49.2bn driven by increasing use of premium products, rise in adoption of electric vehicles, aesthetically superior products and technologically advanced products.

SJS will benefit from the opportunities in the sector given that it has significant experience in the industry as well as a good track record of supplying premium products. They have diversified product portfolios that differentiate themselves from other players as well as long-standing relationships with customers which bodes well in earning strong revenue. Going forward, the company aims to drive growth by focusing on new technology and advanced aesthetic products, increase the geographical footprint, innovating quality products and expanding customer base. Apart, they intend to pursue opportunities in other industries such as outdoor equipment and FMCG. On a financials front, the company has posted revenue/PAT CAGR of 3%/13% FY19-21. It has a strong balance sheet, healthy return ratio and low debt. From the long term perspective, we have a positive view on the company.

**Key Risks:** i) High dependence on customers in the automotive and the consumer appliance industry ii) Volatility in raw material price can impact margins.

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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	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? <b>[If answer is yes, nature of Interest is given below this table]</b>		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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