



Issue Opens - October 15, 2024 to October 17, 2024

Price Band
₹1865 to ₹1960

Face Value
₹10

Issue Size
₹27,870 Cr

Lot Size
7 Shares

Issue Type
Book Built

Issue Size

142,194,700 shares / ₹27,870 Cr

Fresh Issue

N/A

Offer for Sale

142,194,700 shares / ₹27,870 Cr

Basis of Allotment

Friday, October 18, 2024

Initiation of Refunds

Monday, October 21, 2024

Credit of Shares to Demat

Monday, October 21, 2024

Hyundai Listing Day

Tuesday, October 22, 2024

research@ganeshstock.com

Objects of The Offer



The objects of the Offer are:

- To carry out the Offer for Sale by the Promoters.
- To achieve the benefits of listing the Equity Shares on the Stock Exchanges.

Brief profile of the Directors

Unsoo Kim, MD and Board Chairman has been with the company since January , 2022. In addition to leading the company's operations, he heads the India, Middle-East & Africa Strategic Region for Hyundai Motor Company (HMC), reporting directly to the Promoter in this capacity. He holds a bachelor's degree in engineering from Seoul National University and has been with Hyundai Motor Group since December 1991.

Tarun Garg, Whole-time Director and Chief Operating Officer, has been associated with the Company since December 4, 2019. He holds a bachelor's degree in engineering (mechanical) from the University of Delhi and a post graduate diploma in management from the IIM, Lucknow. He is responsible for driving sales, service, dealer management, product strategies, marketing, customer relationship, brand and media management at the Company.

C S Gopalakrishnan, Whole-time Director and Chief Manufacturing Officer, has been associated with the Company since 1997. He holds a master's degree in business administration from the ICFAI University. He is also an associate of the Institute of Engineers (India). He is responsible for the overall manufacturing process, leading strategic planning, ensuring optimal resource utilization for sustained growth and driving production targets at the Company.

Ajay Tyagi, Independent Director, has been associated with the Company since June, 2024. He holds a master's degree in technology (computer sciences) from the IIT, Kanpur and a master's degree in public administration from Harvard University, Massachusetts. He has previously served as the chairman of the SEBI for a period of 5 years



About The Company

Hyundai Motor India Ltd is the part of the Hyundai Motor Group, the 3rd largest auto original equipment manufacturer ("OEM") in the world based on passenger vehicle sales in CY2023. They have a strong track record of producing and selling reliable, safe, feature-rich, and innovative passenger vehicles. They were among the top three contributors to HMC's global sales volumes, and their contribution to HMC's sales volumes has increased from 15.48% in CY2018 to 18.19% in CY2023.

Key Business Operations

Hyundai Motor India Ltd is the 2nd largest auto OEM in India's passenger vehicle market by domestic sales volume. They also manufacture parts like transmissions and engines for their own use and sale. Their portfolio includes 13 models across various segments like sedans, hatchbacks, SUVs, and electric vehicles (EVs). Their current market position is because of (i) their wide product offerings, (ii) stakeholder relationships and operations; (iii) the strong Hyundai brand in India; (iv) their ability to leverage new technologies to enhance operational and manufacturing efficiency; and (v) ability to expand into new businesses such as EVs through innovation.

Particulars	Three months ended June 30,			Fiscal	
	2024 ⁽¹⁾	2023 ⁽²⁾	2024	2023	2022
	<i>(₹ million unless otherwise specified)</i>				
Revenue from operations	173,442.34	166,215.11	608,290.57	601,075.80	473,784.32
Domestic (% of revenue from operations)	76.30%	79.73%	77.66%	76.50%	78.80%
Exports (% of revenue from operations)	23.70%	20.27%	22.34%	23.49%	21.20%
Revenue from operations growth (YoY ⁽³⁾)(period-on-period ⁽⁴⁾)	4.34%	-	15.79%	27.20%	-
Profit for the period/year	14,806.52	13,291.86	60,600.44	47,082.50	29,015.91
Total income	175,679.84	170,116.11	713,023.25	614,366.42	479,660.48
Profit For The Period/ Year Margin ⁽⁵⁾	8.48%	7.81%	8.50%	7.67%	6.95%
EBITDA (Excluding Other Income) ⁽⁶⁾	23,402.54	19,972.55	91,326.16	75,487.80	54,860.80
EBITDA Margin (Excluding Other Income) ⁽⁶⁾	13.49%	12.01%	13.08%	12.52%	11.58%
EBIT (Excluding Other Income) ⁽⁷⁾	18,112.73	14,375.65	69,246.85	53,589.14	33,165.03
EBIT Margin (Excluding Other Income) ⁽⁷⁾	10.44%	8.65%	9.92%	8.80%	7.00%
Net Worth ⁽⁸⁾	121,487.10	213,808.29	106,656.57	200,548.18	168,562.55
Returns On Capital Employed (%) ⁽⁹⁾	13.60%	7.63%	62.90%	28.73%	20.37%

Our Expansive Multi-Model Line-up

13 Models Across Segments

Wide Range of SUV models

Compact	Entor Venor Venor N-Line
Mid-Size	Creo Creo N-Line Altoro
Large	Turon KONIQ 5

8 vehicle models to maximize penetration & secure market share

Hatchbacks

Sedans

SUVs

EVs

Diverse Engine Portfolio



BS-6 compliant engine portfolio

Petrol Naturally Aspirated

Turbo Petrol

Diesel

CNG

Electric

Wide Range of Transmission Options



Cater to varied consumer preferences and convenience

Automated Manual Transmission

Automatic Transmission

Dual Clutch Transmission

Intelligent Variable Transmission

Manual Transmission

2nd Largest Asia OEM in the India Passenger Vehicles Market¹

By Sales Volume (Units)

Domestic Exports

Consistently Q1 OEM since Fiscal 2019²



Source: CRISIL Report

Increasing SUV Contribution

A SUV for Each Sub-segment, Each Customer

Compact SUVs

Mid-size SUVs

Large SUVs



Fiscal 2024 SUV Contribution: 63.24% (FY1²) vs. 51.2% (FY0³) Industry
Fiscal 2023 SUV Contribution: 53.04% (FY1²) vs. 41.1% (FY0³) Industry

Source: CRISIL

PAN India Presence



HQ OFFICE - Gurgaon, Haryana



R&D CENTER - Hyderabad, Telangana



Beyond India Insurance Broking Office - Gurgaon, Haryana



PLANT 03 - Talgaon, Maharashtra¹



PLANT 01 and 02 - Chennai, Tamil Nadu

Statement of Profit and Loss



Hyundai Motor India Limited

(All amounts are in Indian ₹ million except share data and its rates)

		For the three months period ended June 30, 2024	For the three months period ended June 30, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Income					
Revenue from operations	29	173,442.34	166,215.11	698,290.57	603,075.80
Other income	30	3,217.90	3,881.00	14,752.68	11,290.63
Total income		176,660.24	170,116.11	713,043.25	614,366.43
Expenses					
Cost of materials consumed	31(a)	117,618.25	118,640.95	512,870.91	445,088.35
Purchases of stock-in-trade	31(b)	1,801.24	818.14	4,334.27	6,504.18
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31(c)	5,337.45	6,557.53	(1,284.74)	(1,351.21)
Employee benefits expense	32	5,527.49	4,794.67	19,754.88	17,663.28
Finance costs	33	316.40	375.88	1,580.79	1,424.01
Depreciation and amortisation expense	6.1	5,209.81	5,596.90	22,679.31	21,898.66
Other expenses	34	19,868.81	15,515.02	73,820.52	60,998.79
Cost of materials consumed for own use		(133.78)	(102.75)	(940.43)	(473.28)
Total expenses		155,648.91	157,331.32	638,624.53	560,918.67
Profit before tax		21,011.33	12,784.79	81,368.72	53,447.76
Tax expense					
Current tax	44.1	5,513.93	5,071.23	22,965.26	18,414.53
Deferred tax (net)	44.1	(296.62)	(478.42)	(1,166.92)	(2,051.28)
Total tax expense		5,217.31	4,592.81	21,798.34	16,363.25
Profit for the period / year		15,794.02	8,191.98	60,600.44	37,084.51
Other comprehensive income ("OCI") for the period / year <i>Items that will not be reclassified to profit or loss</i>					
Reassessments of net defined benefit liability / (asset)	36.2	(58.18)	(42.43)	(78.57)	(210.13)
Income tax relating to items that will not be reclassified to profit or loss	44.4	22.19	19.66	44.95	57.97
Total other comprehensive income / (loss) for the period / year		(36.99)	(22.77)	(33.62)	(152.16)
Total comprehensive income for the period / year		15,457.03	7,969.21	60,466.82	36,932.35
Profit for the period / year attributable to:					
Owners of the Company		14,896.52	8,201.86	60,600.44	47,092.50
Other comprehensive income / (loss) ("OCI") for the period / year attributable to:					
Owners of the Company		(65.99)	(22.77)	(33.62)	(152.16)
Total comprehensive income for the period / year Owners of the Company		14,830.53	7,979.09	60,466.82	46,940.34
Restated earnings per equity share (equity share of ₹ 10 paid up)	40				
- Basic earnings per share (₹)		18.33	16.36	74.58	57.96
- Diluted earnings per share (₹)		18.33	16.36	74.58	57.96

Strengths



- **Pan-India sales, distribution and after-sale services network :** As of June 30, 2024, they had 1,377 sales outlets and 1,561 service centres across India. Their sales and service network was the 2nd largest in India in terms of the number of customer touchpoints as of March 31, 2024.
- **Digitisation across the value chain:** They have digitised their customers and dealers' interactions with each other and with them. Their constant endeavour is to provide a 360-degree customer experience in passenger vehicle purchase, insurance, maintenance, and after-sales service.
- **Flexible and automated manufacturing capabilities:** Over 2,000 critical machines are connected with technologically advanced systems and 743 robots, producing 131 passenger vehicles per hour.
- **Early access to the latest global trends :** They identify emerging market trends, latest customer needs and aspirations based on their and HMC's global network, in-depth market and product research.

Threats

- **Raw material Cost:** Increases in the prices of parts and materials required for our operations could adversely affect their business and results of operations.
- **Potential Conflicts of Interest with Kia Corporation :** Kia Corporation operates in a similar business. HMC, as a shareholder, may prioritize its subsidiaries' interests, which may not align with the company's, potentially impacting operations. As of June 30, 2024, HMC holds a 34% stake in Kia, and the company supplies engines to Kia. Product overlaps could negatively affect the company's business and prospects.
- **Risk of Increased Royalty Fees:** Any increase in the royalty fee paid to HMC, the Promoter, under the Royalty Agreement, especially if it exceeds 5% of the company's annual consolidated turnover could negatively affect profitability and earnings per share.
- **EV Sales :** A majority portion of their sales volumes are derived from the sale of non-EV passenger vehicles, and there is no assurance that they will be able to adopt their EV strategy successfully and cost-efficiently or at all.

Valuation and Outlook



Hyundai Motor India Ltd IPO is expected to be priced between ₹1865 to ₹1960 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of 25.6x versus the Industry P/E of 23.5x.

Name of the company	Face value (₹ per share)	Closing price as on October 4, 2024 (₹ per share)	Revenue from operations for Financial Year 2024 (in ₹ million)	Earnings per share for Financial Year 2024 (₹) ⁽¹⁾		Net Asset Value Per Equity Share as at March 31, 2024 ⁽²⁾	Price/earnings ratio for the Financial Year 2024 ⁽³⁾	Return On Net Worth for the Financial Year 2024 (%) ⁽⁴⁾	Market capitalisation (in ₹ billion) ⁽⁵⁾
				Basic	Diluted				
Company	10*	NA	698,290.57	74.58	74.58	131.26	NA*	56.82%	-
Listed peers									
Maruti Suzuki India Limited	5	12,602.90	1,418,582.00	429.01	429.01	2,723.77	29.38	15.75%	3,962.38
Tata Motors Limited ⁽⁶⁾	2	930.70	4,379,277.70	81.96	81.89	221.67	11.36	36.98%	3,425.54
Mahindra & Mahindra Limited ⁽⁷⁾	5	3,017.05	1,382,793.00	101.14	100.70	594.08	29.96	17.02%	3,751.79

Hyundai India Motors revenue grew by 21% annually from FY 22 to FY 24 and profits grew by 44% in the same duration showcasing strong growth trajectory. Also, company was able to increase its EBIT margin by 290 basis points to 9.9%.

while Hyundai's upcoming IPO is exciting, it's important to note that the proceeds won't directly benefit Hyundai Motor India, but rather its parent company in Korea. This has raised some concerns for local investors.

The exports Revenue is also growing well and it could be a key re-rating trigger for the company going forward. We believe that the company is overpriced and

We rate Hyundai India IPO **"Avoid"**.

Note: Investor may think to buy after listing

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