

October 10, 2024

## Credible play on tangible growth story in PV space...

**About the Company:** Hyundai Motors India (HMIL), is a part of South Korea based the "Hyundai Motor Group", which is the third largest passenger vehicle (PV-OEM) manufacturer globally as of CY23. HMIL has for long been the second largest auto OEM in the domestic passenger vehicle market in terms of sales volumes.

- HMIL is amongst the top three contributors to Hyundai Motor global sales volumes, with contribution rising from 15.5% in CY18 to 18.2% in CY23.
- HMIL's portfolio includes 13 models across major passenger vehicle segments including Grand i10, Aura, Verna, Exter, Venue, and Creta etc.

### Key triggers/Highlights:

- Hyundai Motors India Ltd (HMIL) is the prominent and long-lasting player holding a significant ~15% market share in the domestic PV segment.
- Low penetration of passenger vehicles domestically offers long runway of growth, with HMIL well equipped to capture this tangible growth story.
- HMIL's sales have been bolstered by the rapidly expanding SUV segment, which accounts for ~63% of its total sales, vs. ~60% share for the industry.
- HMIL flagship model, Creta, led sales in mid-size SUV segment, while the Verna dominated the premium sedan segment with ~20% market share.
- With a strategic focus on Electric Vehicle market, HMIL is aiming to launch four new EV models in India with Creta EV slated for launch by Q4FY25.
- Tactical capacity expansion with acquisition of Talegaon plant (~2.5L units)
- Capital efficient business model (RoE, RoCE: 20%+) with cash surplus b/s.

### Our View & Rating

- Sales/PAT at HMIL has grown at a CAGR of 19.4%/47.7% respectively over FY21-24, led by 11% sales volume CAGR and consistent improvement in EBITDA margin profile. HMIL clocked EBITDA margins of 13.1% in FY24 with RoCE placed at 50%+. At the upper end of the price band, HMIL will command a valuation of ~26x P/E, ~16.5x EV/EBITDA & ~2.3x P/S on FY24 basis which is at a tad discount to industry leader i.e. Maruti Suzuki India.
- We assign **SUBSCRIBE** rating on HMIL given steady growth prospects amid industry tailwinds, robust financials & healthy SUV product slate. **We expect limited listing gains to this IPO, however expect HMIL to deliver healthy double-digit portfolio returns over medium to long term.**

### Key risk & concerns

- High quantum of related party transactions with presence of sister company Kia in similar segments may lead to potential conflict of interest.
- Regulatory led rise in ASP's and consequent pressure on volume growth.

### Key Financial Summary

Key Financials (₹ crore)	FY21	FY22	FY23	FY24	CAGR (FY21-24)
Net Sales	40,972.3	47,378.4	60,307.6	69,829.1	19.4%
EBITDA	4,245.7	5,486.1	7,548.8	9,132.6	29.1%
EBITDA Margins (%)	10.4	11.6	12.5	13.1	
Net Profit	1,881.2	2,901.6	4,709.3	6,060.0	47.7%
Reported EPS (₹)	23.2	35.7	58.0	74.6	
RoNW (%)	12.3	17.2	23.5	56.8	
RoCE (%)	13.1	17.7	24.2	55.0	
P/E (x)	84.7	54.9	33.8	26.3	

Source: DHRP, RHP, ICICI Direct Research; Valuation at upper limit of price band i.e. ₹ 1,960



### IPO Details

#### Issue Details

Issue Opens	15th Oct 2024
Issue Closes	17th Oct 2024
Issue Size	~₹ 28,000 crore
QIB (Institutional) Share	50% of issue
Non-Institutional Share	15% of issue
Retail Share	35% of issue
Issue Type	OFS
Price Band (₹/share)	₹ 1,865-1,960
Market Lot	7 shares
Face value (₹/share)	₹ 10
Listing Market Cap @	~₹ 1.6 lakh crore
Upper price band	

### Shareholding pattern

	Pre-Issue	Post-Issue
Promoter	100.0	82.5
Public	0.0	17.5
Total	100.0	100.0

### Objects of the issue

The issue is a pure play OFS (offer for sale) and no proceeds from the issue will get deployed with the company. Hyundai Motor, South Korea (promoter of Hyundai India) is the sole recipient of the proceeds from the issue

### Research Analyst

Shashank Kanodia, CFA  
shashank.kanodia@icicisecurities.com

Manisha Kesari  
manisha.kesari@icicisecurities.com

Bhavish Doshi  
bhavish.doshi@icicisecurities.com

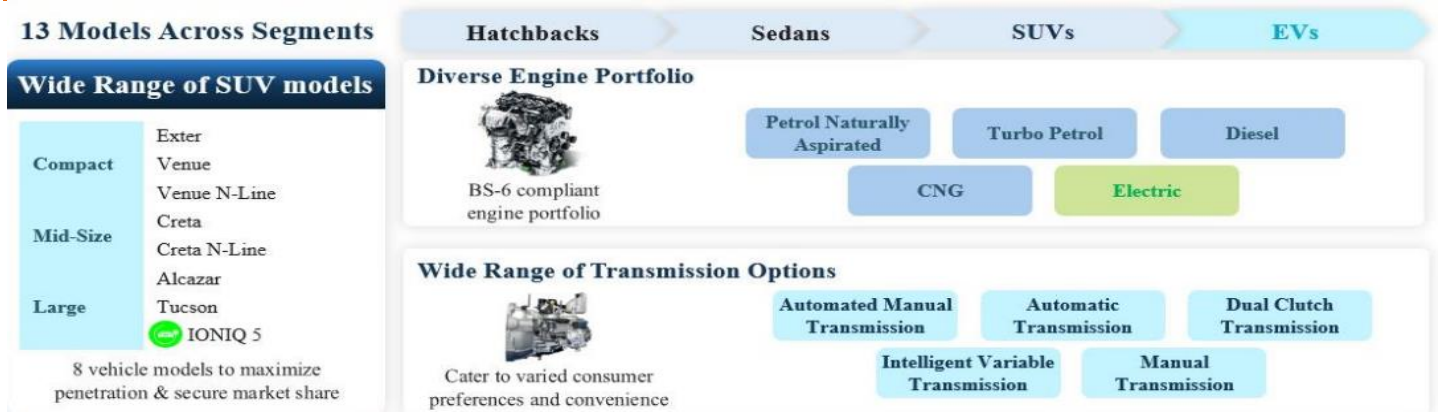
## Company Background

Hyundai Motors India Ltd (HML) is part of the Hyundai Motors Group (HMC, South Korea), which is the third largest auto OEM in the world based on passenger vehicle sales in CY2023. Since 2009, HML is the second largest auto OEM in the Indian PV market (in terms of domestic sales volumes). It is the top three contributors to Hyundai Motor global sales volumes, with contribution rising from 15.5% in CY18 to 18.2% in CY23. Since its inception in 1998 till 31<sup>st</sup> March'24, HML has cumulatively sold nearly 12 million passenger vehicles in the domestic and export market. It has the support of HMC in various operations including management, R&D, design, product planning, manufacturing, supply chain development, among others. HMC's exports network spread across >190 countries, provides export opportunities to HML. It is now required to pay ~3.5% of sales as royalty to Hyundai Motor Group in connection with using HMC's trademark for manufacturing & selling of PV and parts.

HML portfolio includes 13 passenger vehicle models across major passenger vehicle segments by body type including sedans- Aura and Verna, hatchbacks- Grand i10 NIOS, i20 and i20 N Line, sports-utility vehicle (SUVs) across compact, mid-size and large SUV sub segments- Exter, Venue, Venue N Line, Creta, Creta N Line, Alcazar, Tucson and battery electric vehicle (EVs)- IONIQ 5. It also manufactures parts, such as transmission and engines. HML's has two manufacturing plant in Chennai, Tamil Nadu, having combined annual production capacity of 824,000 units as of 31<sup>st</sup> March'24. HML has 1,377 sales outlets operated by its dealers spread across 1,036 cities and towns in India, as of 30<sup>th</sup> June '24. On the service network front, it has 1,561 service centers spread across 957 cities and towns in India as of 30<sup>th</sup> June '24. It had 5,672 full time employes working on its payroll as of 30<sup>th</sup> June '24.

HML has benefited from parents centralized R&D hub, which has invested an aggregate ~US\$ 26 billion in global R&D from CY14 to 30<sup>th</sup> June'24, focusing on emerging mobility areas such as electrification, shared mobility and autonomous driving. Through this hub, HML has gained early access to global automotive trends, technologies and features leveraging the expertise of HMC's dedicated technology arm, Hyundai Autoever which specializes in passenger vehicle IT services, smart manufacturing, mobility services, data security services and enterprise IT solutions.

Exhibit 1: HML Passenger Vehicle Portfolio



Source: RHP, ICICI Direct Research

Exhibit 2: HML Journey since inception till 2023



Source: RHP, ICICI Direct Research

## Hyundai Motors- Passenger Vehicle Portfolio

**Hatchback:** HMIL is the distant second largest player in Hatchback segment. In last 5 years, HMIL has lost market share in this segment due to discontinuation of its compact hatchback models such as Santro & Eon. Also, increase in competition from new models in premium segment has exerted pressure on company's market share. However, continued traction for its models such as Grand i10 NIOS and i20 has helped it retain sizeable market share (~12.3% as of Q1FY25) in this segment.

**Sedan:** HMIL has emerged as the second largest contributor to the domestic sedans segment (market share at ~20%) with continued traction for its compact sedan model Aura. This is despite discontinuation of its popular model Xcent in FY24. It has also expanded its presence by launch of its Verna facelift and was the second highest selling model in premium sedan market during Q1FY25.

**Compact SUVs:** HMIL has entered compact SUV segment with Venue in FY20, which has grabbed a sizeable 21% share within a year. However, this segment has witnessed an intense competition across all OEMs which has led to HMIL's market share declining to ~12% in FY23. **With the recent launch of Exter model, it has recouped large part of market share loss, which is now pegged at ~15%.**

**Medium-size SUVs:** HMIL dominated mid-size SUV sub segment with its flagship model Creta by leading market share of 68% in FY19. However, intense competition from the new entrants has led to drop in this market share to ~38% in Q1FY25. Nonetheless, intermittent upgrades to Creta helped Hyundai Motors to retain its leadership position over the past 5 years in this sub-segment.

**Large-size SUVs:** HMIL has limited presence in this segment with market share pegged at ~4% as of Q1FY25 with launch of Alcazar model in FY22.

HMIL serve as a key production and export hub for HMC, particularly for passenger vehicle models like Verna and Venue, catering to emerging markets

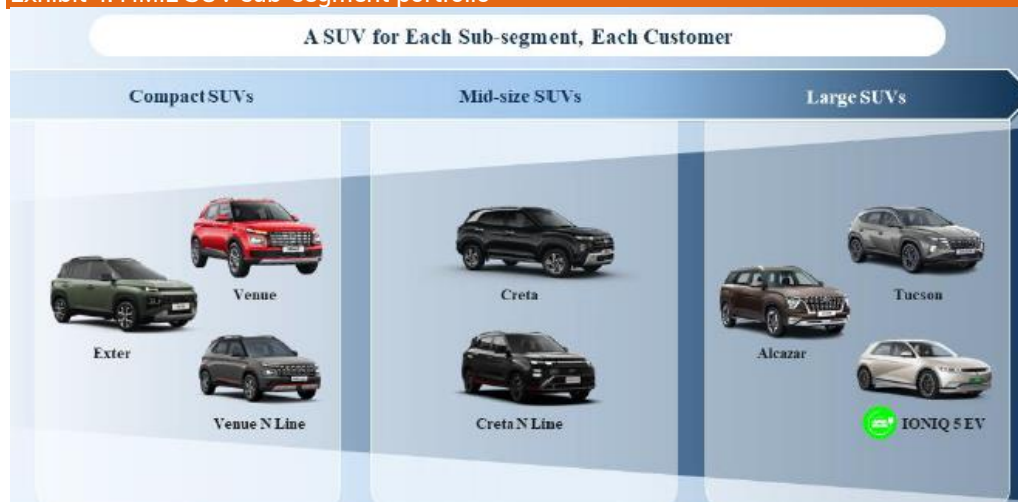
From FY05 to FY24, on cumulative basis HMIL has been India's leading exporter of passenger vehicle. Since its inception through Jun'24, the company has exported 3.61 million passenger vehicles to over 150 countries, including regions such as Latin America, Africa, Middle East, Asia, and others.

**Exhibit 3: HMIL PV Product Portfolio -pricing and fuel type**

Category	Sub-Category	Models	Ex-showroom (Delhi) price range as of 30th June'24	Fuel types	First Model launch date
Sedan	Compact	Aura	₹6,48,600-9,04,700	Petrol; Bi-fuel	Jan'20
	Premium	Verna	₹11,00,400-17,41,800	Petrol	Sept'06
Hatchback	Compact	Grand i10 NIOS	₹5,92,300-8,56,300	Petrol; Bi-fuel; Hy-CNG Duo	Sept'07
	Premium	i20	₹7,04,400-11,20,900	Petrol	Dec'08
		i20 N Line	₹9,99,500-12,51,800	Petrol	Sept'21
	SUVs	Compact SUVs	Exter	₹6,12,800-10,27,900	Petrol; Bi-fuel; Hy-CNG Duo
Venue			₹7,94,100-13,48,100	Petrol; Diesel	May'19
Mid-Size SUVs		Venue N Line	₹12,07,700-13,89,800	Petrol	Sept'22
		Creta	₹10,99,900-20,14,900	Petrol; Diesel	July'15
		Creta N Line	₹16,82,300-20,44,900	Petrol	March'24
Large-Size SUVs	Alcazar	₹14,99,000-21,54,900	Petrol; Diesel	June'21	
	Tucson	₹29,01,800-35,94,200	Petrol	March'05	
		IONIQ 5	₹ 46,05,000	Electric	Jan'23

Source: RHP, ICICI Direct Research; Bi-fuel signifies CNG and Petrol

**Exhibit 4: HMIL SUV sub-segment portfolio**



Source: RHP, ICICI Direct Research

**Top 5 selling models of Hyundai in India**

Model	Volumes (FY24)	% of total volumes
Creta	1,62,773	26%
Venue	1,28,897	21%
Exter	71,299	12%
Grand i10 Nios	70,764	12%
i20	69,988	11%
others	1,11,000	18%
<b>Total Domestic</b>	<b>6,14,721</b>	

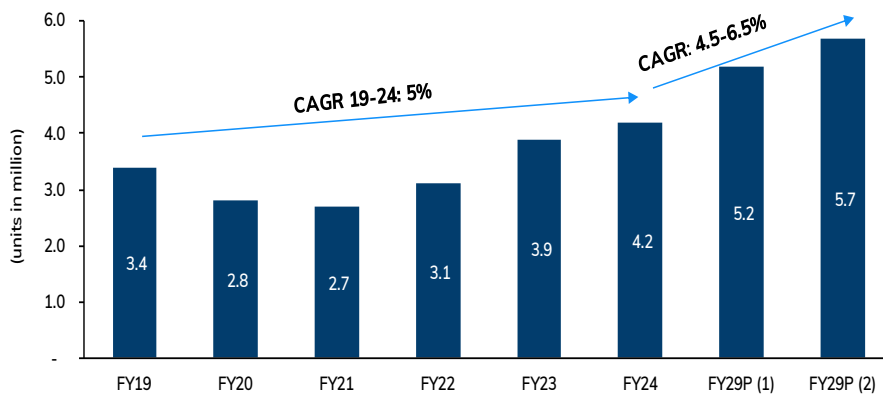
Source: RHP, ICICI Direct Research

## Industry Overview

### India Passenger Vehicle Industry: Positive levers in place for future growth

India's domestic PV sales volume rose at 5% CAGR from 3.4 million units in FY19 to 4.2 million units in FY24. This growth was despite sales contraction (at 10% CAGR) witnessed during FY19 to FY21. In FY23, PV Industry reported a healthy recovery of 27% YoY driven by pent-up vehicle demand created by two years of slump in sales volume, further increased by need for personal mobility as well as improving supply side scenario. The orderbook of auto OEMs were also supported by new launches in growing SUV category, which witness a higher traction, along with multiple facelifts of existing models and easing supply of semiconductors. The growth momentum continued in FY24 with a growth rate of 8% YoY reaching to the highest level of 4.2 million units. Going forward, CRISIL Research estimates overall PV volumes to grow at 4.5-6.5% CAGR between FY24-29P to reach 5.2-5.7 million units by FY29P.

Exhibit 5: India Domestic PV Industry

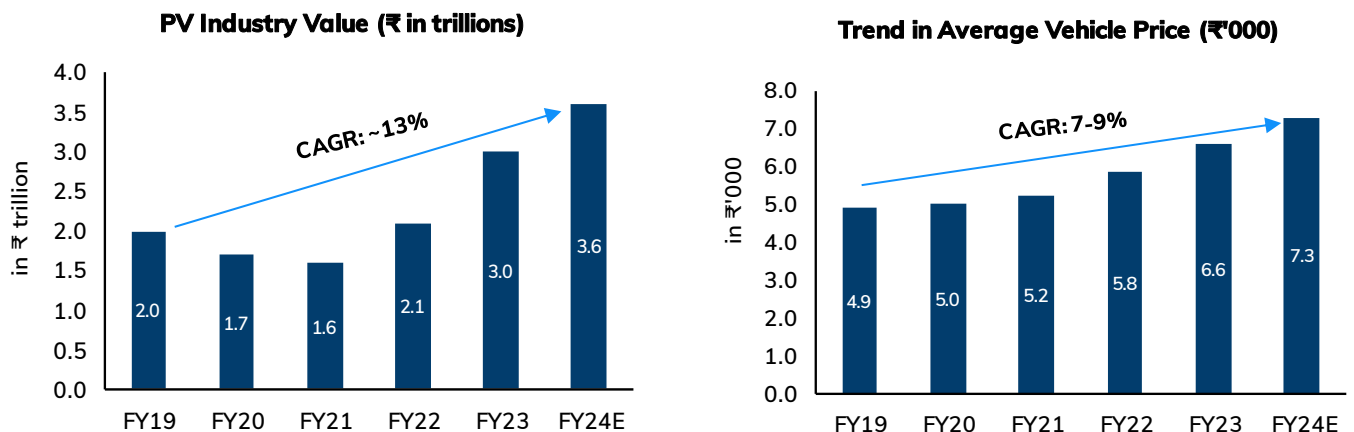


Source: RHP, ICICI Direct Research

### Rising premiumisation a key factor aiding growth in Average Selling Price

The PV Industry in value terms experienced a robust growth of 13% CAGR over FY19-24. During this period, the average vehicle ex-factory prices increased at a CAGR of 7-9% driven by the several factors such as: 1) A growing preference among Indian consumers for mid & top end vehicles with higher pricing offerings more space, a taller stance, enhanced connectivity, and better performance. 2) Post pandemic higher spending by upper middle class on newly launched SUV cars, which typically carry higher ASP; 3) The introduction of compact SUVs, which has improved affordability leading to decline in demand for hatchbacks and compact sedans; 4) Implemented price hikes by OEMs to meet stricter emission regulations and cover rising raw material costs and 5) growing adoption of digital technologies such as smart phone connectivity, car equipped with sunroof, and safety features through ADAS (Advance Driver Assistance System) technology.

Exhibit 6: India PV Industry Value (in ₹ trillion) & Average Vehicle Price (₹'000)



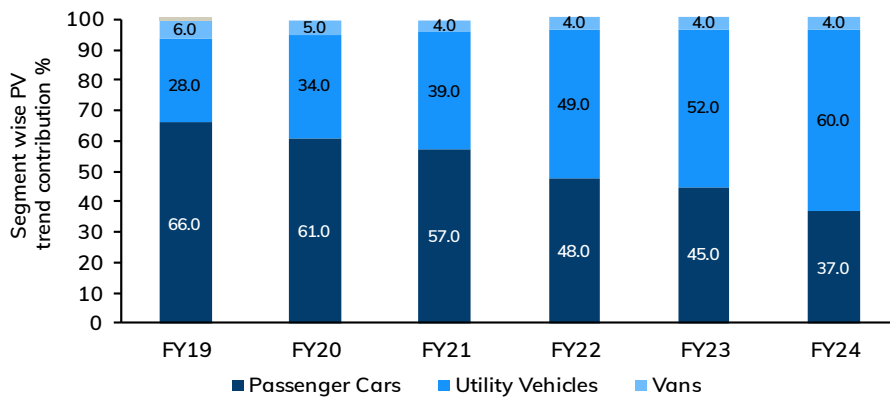
Source: RHP, ICICI Direct Research



### Shift in consumer preference drives explosive growth in SUV segment

Passenger Vehicle Industry is broadly classified (basis body types) into hatchbacks, sedans, sports utility vehicles (SUVs), multipurpose vehicles (MPVs) and vans. Historically, hatchbacks were preferred choice among the Indian consumers due to their lower prices and reduced running costs, making them more affordable. However, as awareness and consumer preferences grew- particularly among young buyers of factors beyond just price such as enhanced driving experience, safety and advanced technology, these shifts have fuelled the growth of SUVs, which are increasingly favoured for their larger seating capacity and ability to handle rough terrain. Over past 5 years, more than 30 SUVs were introduced by OEMs, compared to only 4 hatchbacks and 3 sedans. During the same time period, SUV segment expanded at CAGR of 23% CAGR i.e. over 4x the industry growth of 5%. With the rising popularity of SUVs, utility vehicle segment is expected to continue leading the market, projecting a CAGR of 7-9% during FY24-29P, while hatchbacks and sedans segment are anticipated to clock muted growth.

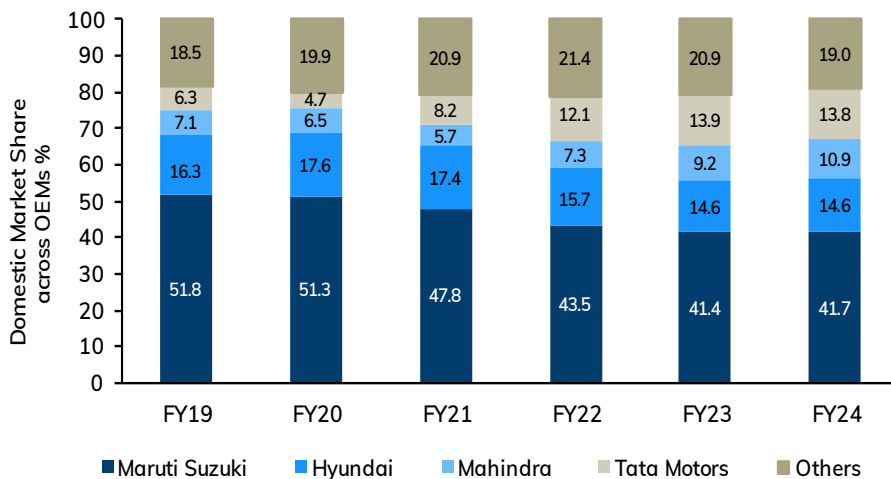
Exhibit 7: Segment-wise trends in the PV sales volumes -domestic



At the industry level, domestically share of SUV's has increased from 28% as of FY19 to 60% as of FY24. Pass cars (hatchback + sedan) share in the similar timeframe has declined from 66% to 37%.

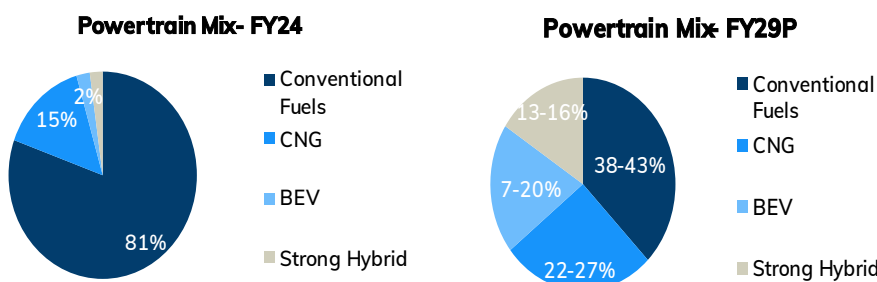
Source: SIAM, ICICI Direct Research

Exhibit 8: PV domestic market share across OEMs



Source: RHP, SIAM, ICICI Direct Research

Exhibit 9: Powertrain mix – current and projected



Source: DRHP, ICICI Direct Research

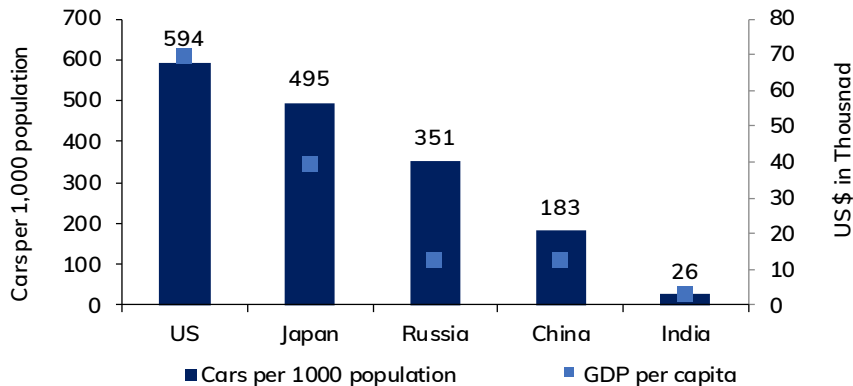
Domestic PV industry, traditionally dominated by conventional fuels (petrol, diesel), has seen a growing shift towards alternative fuel options, with CNG powertrain contribution in overall powertrain mix reaching ~15% as of FY24. As per Crisil, the share of CNG vehicles is expected to rise to 22-27% with major OEMs such as Maruti Suzuki leading this charge with CNG penetration now pegged at ~33% as of Q1FY25 with CNG vehicle sales for FY25E expected at 6 lakh units (up 20%+ YoY). Even, Hyundai Motors (HMIL) is offering CNG option in 3 modes incl. flagship models such as Grand i10 Nios, Aura and Exter.

## Investment Rationale

### Lower car penetration provides significant headroom for growth to HMIL

Although India is the world's third largest automobile market, its car penetration as per industry sources, remains relatively low, at ~26 cars per 1000 people. This is significantly behind global markets like China at ~200, US and Europe at ~500+ levels. However, with rising per capita income domestically, this presents healthy growth longevity for domestic PV space. HMIL is well positioned to benefit from this trend, given its robust product portfolio across key vehicle categories. These include Verna, Grand i10 NIOS, i20 and SUVs- Exter, Venue, Creta, Alcazar and Tucson.

Exhibit 10: Country wise Car Penetration



Source: RHP, ICICI Direct Research

### Tactical capacity expansion underway to encash industry tailwinds

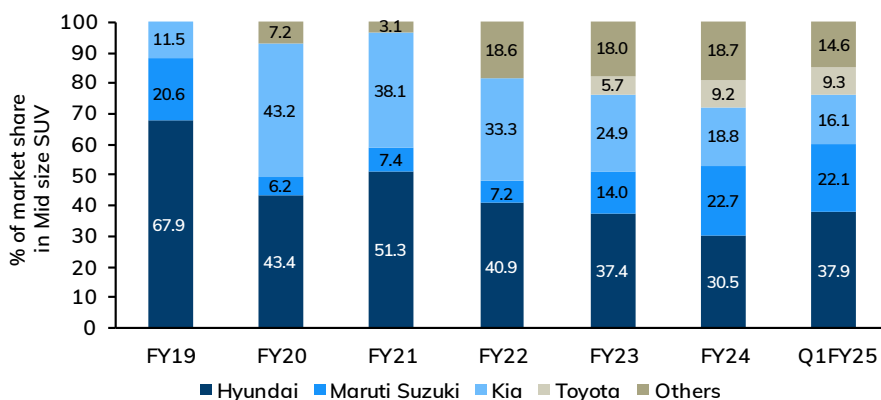
HMIL's Chennai manufacturing plant, with an annual production capacity of 824,000 units, stood as one of India's largest single-location passenger vehicle production facilities in CY2023. The said plant is running close to optimum utilisation levels. Sensing the capacity constraint, it has recently expanded its manufacturing capacity through the acquisition of a plant in Talegaon, Maharashtra, which is expected to begin partial operations by H2FY26. Once fully operational, this addition will boost HMIL's total production capacity to 1,074,000 units, which management expects to fully utilise by 2030 driven by both domestic demand and rise in exports. Additionally, HMIL has entered into an arrangement with the Tamil Nadu government to develop EV manufacturing infrastructure within the state.

HMIL is focused on building an EV supply chain and enhancing manufacturing capabilities in India by localizing EV parts and developing an EV platform within the country.

### Consistent 2<sup>nd</sup> largest player in PV domain with strong Focus on SUV's

Hyundai Motors India (HMIL) is the prominent and long-lasting player holding a significant ~15% market share in the domestic PV segment. HMIL's sales have been bolstered by the rapidly expanding SUV segment, which accounts for ~63% of its total sales, vs. ~60% share for the industry. It dominates the mid-size SUV category, with its flagship model, the Creta holding a ~38% market share as of Q1FY25. Additionally, the proportion of PVs priced above ₹10 lakh at HMIL has increased to ~49% in FY24, up from ~32% in FY21. Going forward, HMIL plans to focus on premiumisation by increasing the sales of higher priced trims within its vehicle range. HMIL also intends to introduce premium electric vehicles, starting Creta EV in Q4FY25.

Exhibit 11: OEM wise market share in Mid-size SUV segment (domestic)



Source: RHP, ICICI Direct Research

### Exports also a cornerstone for growth, HMC network aids

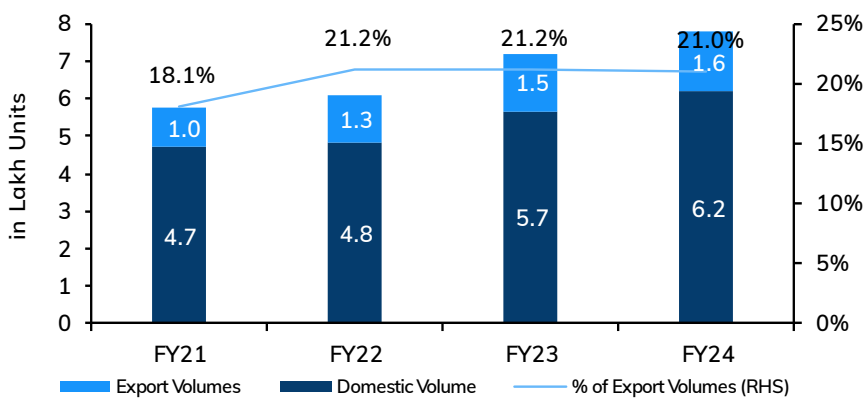
From FY05 to FY24, on cumulative basis, HMIL has been India's leading exporter of passenger vehicles. Since its inception through Jun'24, the company has cumulatively exported 3.61 million passenger vehicles to over 150 countries, including regions such as Latin America, Africa, Middle East, Asia, and others. It presently realises ~20% of its sales volume from exports and expects to maintain similar mix going forward. Presently on annual basis, it is the 2<sup>nd</sup> largest exporter of PVs from India with market share pegged at ~24% as of FY24. It realises higher ASPs on exports vs. domestic and hence is a margin accretive proposition for the company. With PV exports from India expected to grow at a CAGR of 7-9% over FY24-29E to 1 million units by FY29E from ~0.7million units in FY24, HMIL is well placed to capture this industry tailwinds with support from HMC global in key export markets.

Exhibit 12: HMIL's Export snapshot



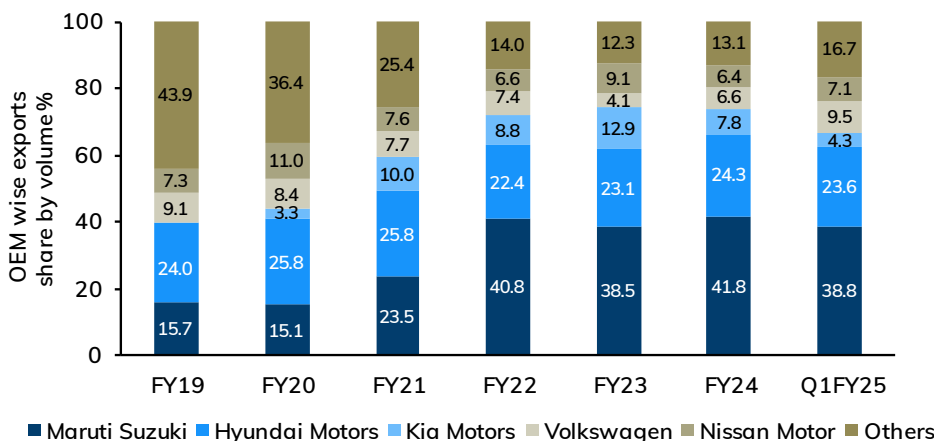
Source: RHP, ICICI Direct Research

Exhibit 13: Domestic: Export sales volume mix at HMIL



Source: RHP, SIAM, ICICI Direct Research

Exhibit 14: HMIL – Export market share (% , India)



Source: RHP, ICICI Direct Research

## Peer Comparison

There are three players from the domestic PV space namely Maruti Suzuki India Ltd (MSIL), Tata Motors and Mahindra & Mahindra (M&M) which are listed in India. However, Tata Motors and M&M also have other prominent line of businesses which makes peer comparison redundant to large extent. Hence, Hyundai Motors India is best compared with the pure play listed PV player i.e. Maruti Suzuki India (MSIL)

Exhibit 15: Peer Comparison - Hyundai Motors India vs. Maruti Suzuki India

Particulars	Units	Hyundai Motors India		Maruti Suzuki India	
		FY23	FY24	FY23	FY24
Domestic Volumes (PV)	no's	5,67,546	6,14,721	16,06,870	17,59,881
Export Volumes (PV)	no's	1,53,019	1,63,155	2,55,439	2,80,712
Total Volumes	no's	7,20,565	7,77,876	18,62,309	20,40,593
Export Share	%	21%	21%	14%	14%
SUV Share (Domestic)	%	53%	63%	23%	36%
CNG Penetration	%	10.6%	11.4%	20.5%	27.4%
Dealer Touch Points	no's	1,336	1,363	3,640	3,863
Service Touch Points	no's	1,498	1,549	4,564	4,964
Total Touch Points	no's	2,834	2,912	8,204	8,827
Domestic PV Market Share	%	14.6	14.6	41.3	41.7
Total Op. Income	₹ crore	60,308	69,829	1,17,523	1,40,933
Blended ASP's	₹/unit	7,25,417	7,71,845	5,72,184	6,31,932
EBITDA	₹ crore	7,549	9,133	11,008	16,360
EBITDA margin	%	12.5%	13.1%	9.4%	11.6%
EBIT	₹ crore	5,359	6,925	8,185	13,338
EBIT margin	%	8.9%	9.9%	7.0%	9.5%
Net profit	₹ crore	4,709	6,060	8,049	13,209
RoE	%	23.5	56.8	13.3	15.7
RoCE	%	24.2	55.0	12.8	15.3
		Valuation @ ₹ 1,960		Valuation @ ₹ 12,750	
P/E	x	33.8	26.3	47.8	30.3
P/B	x	7.9	14.9	6.4	4.8
EV/EBITDA	x	18.9	16.5	32.4	21.2

Source: RHP, Company, ICICI Direct Research

Key salient features of comparison: (i) Hyundai has 14.6% market share domestically vs. 41.7% for Maruti as of FY24; (ii) **Hyundai has a better product mix with SUV share of domestic sales at 63% vs. 36% for Maruti**; (iii) Hyundai has just 11.4% as CNG Penetration vs. 27.4% for Maruti; (iv) **Average ASP for Hyundai is pegged at ~₹ 7.7 lakh/unit while the same for Maruti stands at ~₹ 6.3 lakh/unit**; (v) **EBITDA margins are a tad better at Hyundai at 13.1% as of FY24 vs. 11.6% for Maruti** and (vi) **RoE & RoCE profile is better at Hyundai vs. Maruti** which is driven by operational excellence as well as Hyundai's promoter paying a hefty dividend to itself in the near past. We would also like to highlight that capacity addition by Hyundai Motors India is one of the least among domestic OEM's wherein it is just adding effective capacity of ~2.5 lakh units (Talegaon plant) on an existing base of ~8.24 lakh units while the same for Maruti is ~20 lakh unit incremental capacity on a base of ~23.5 lakh units; implying moderate growth expectations from the Hyundai standpoint.

Thus, positives and negatives are evenly placed for Hyundai against Maruti and it is difficult to conclude as to which player should command premium valuations in India.

**However, with supportive IPO price band valuations (discount to Maruti on PE and EV/EBITDA basis-FY24) as well as healthy SUV product slate, we have a positive view on Hyundai Motors India and hence recommend SUBSCRIBE rating to the IPO.**

We expect limited listed gains to this IPO given its sheer size (at ~₹ 28,000 crore) and listed competitive landscape in automobile OEM domain, however expect HMIL to deliver healthy double-digit portfolio returns over medium to long term.



## Risk and Concerns

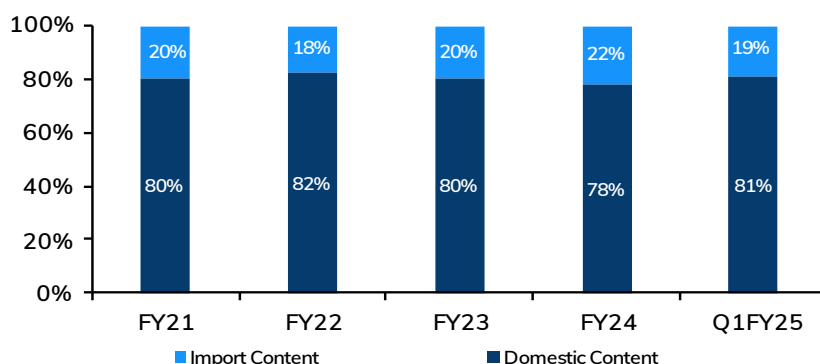
### High amount of related party transactions, potential conflict of interest

HMIL's engages in transactions with related parties, involving the procurement of goods and services; purchases of parts, materials, and capital equipment; sales of components like engines and transmissions; provision of services; and payment of royalties and technical assistance fees. For ex: a portion of the land within the Chennai plant has been leased to Mobis, where battery systems for electric vehicles (EVs) will be assembled for supply to both HMIL and Kia India Private Limited. Though the company conducts these transactions on arm's length basis, however existing or future transactions with related parties carry the potential for conflicts of interest, which could negatively impact the company-HMIL. On the income side, it realises ~8% of its total income from related parties as of FY24 while on the expenses front it incurs ~34% of its expenses with related parties.

### High import content, susceptible to foreign supply chain risk

HMIL's imports ~20% of its part and materials, particularly engine components, transmission assembly, moulds and dies from HMC, its group companies and others. It benefits from concessional rate on custom duties, ranging from 0% to 15%, under the Comprehensive Economic Partnership Agreements between the governments of Korea and India. Any withdrawal or reduction in these trade concessions or the imposition of tariff, could significantly raise the cost of sourcing parts and materials. Moreover, supply chain disruptions such as chip shortage, insufficient container availability and increased shipping time, could potentially challenge continuity of HMIL plant operations and profitability at HMIL going forward.

Exhibit 16: Import content trend



Source: RHP, ICICI Direct Research

### Industry slowdown, delay in product launches could impact growth

Over the past two years, the domestic auto industry has seen a robust recovery, with the PV space surpassing its pre-Covid highs in FY23. With this high base, PV industry is projected to clock low single digit growth in FY25E. However, future growth prospects could be negatively impacted by factors such as muted economy growth, rising unemployment, higher energy prices, increasing interest rate, and industry wide cost pressure all which may affect consumer behaviour and spending. Moreover, government policies such as new emission standards or change in corporate average fuel norms (CAFE norms), could influence demand for passenger vehicles. Also, the government aggressive push towards electric vehicle segment may also negatively affect OEM's which are responding slow to this EV transition.

## Financial summary

**Exhibit 17: Profit and loss statement** ₹ crore

(Year-end March)	FY21	FY22	FY23	FY24
Total operating Income	40,972	47,378	60,308	69,829
Growth (%)	NA	15.6	27.3	15.8
Raw Material Expenses	31,306	35,805	44,983	51,539
Employee Expenses	1,465	1,648	1,766	1,975
Other Expenses	3,956	4,440	6,010	7,182
Total Op. Expenditure	36,727	41,892	52,759	60,696
EBITDA	4,246	5,486	7,549	9,133
Growth (%)	NA	29.2	37.6	21.0
Depreciation	1,973	2,170	2,190	2,208
Interest	165	132	142	158
Other Income	432	588	1,129	1,473
PBT	2,540	3,772	6,346	8,240
Total Tax	659	871	1,636	2,180
Reported PAT	1,881	2,902	4,709	6,060
Growth (%)	NA	54.2	62.3	28.7
Reported EPS (₹)	23.2	35.7	58.0	74.6

Source: DHRP, RHP, ICICI Direct Research

**Exhibit 18: Cash flow statement** ₹ crore

(Year-end March)	FY21	FY22	FY23	FY24
Profit before Tax	2,540	3,772	6,346	8,240
Add: Depreciation & Interest	2,138	2,301	2,332	2,366
(Inc)/dec in Current Assets	(118)	(37)	(1,646)	502
Inc/(dec) in CL and Provisions	2,131	367	2,630	1,713
Others	(1,268)	(1,266)	(3,098)	(3,569)
CF from operating activities	5,423	5,138	6,564	9,252
(Inc)/dec in Investments	382	348	838	(26,170)
(Inc)/dec in Fixed Assets	(2,583)	(1,265)	(2,261)	(3,246)
Others	4	11	12	27,370
CF from investing activities	(2,197)	(905)	(1,412)	(2,046)
Proceeds from Issuance of Equity	-	-	-	-
Borrowings, leases & interest	143	(303)	(86)	(494)
Dividend paid & dividend tax	-	(1,359)	(1,493)	(15,436)
CF from financing activities	143	(1,662)	(1,579)	(15,930)
Net Cash flow	3,369	2,571	3,573	(8,724)
Opening Cash	8,197	11,568	14,139	17,741
Closing Cash	11,568	14,139	17,741	9,017

Source: DHRP, RHP, ICICI Direct Research

**Exhibit 19: Balance Sheet** ₹ crore

(Year-end March)	FY21	FY22	FY23	FY24
<b>Liabilities</b>				
Equity Capital	813	813	813	813
Reserve and Surplus	14,499	16,044	19,242	9,853
Total Shareholders funds	15,311	16,856	20,055	10,666
Total Debt	1,342	1,140	1,159	768
Deferred Tax Liability	-	-	-	-
Minority Interest / Others	1,456	1,512	1,780	2,008
Total Liabilities	18,110	19,508	22,993	13,441
<b>Assets</b>				
Gross Block	15,451	16,944	18,385	21,881
Less: Acc Depreciation	8,678	10,649	12,562	14,549
Net Block	6,773	6,295	5,823	7,332
Capital WIP	817	529	1,337	653
Total Fixed Assets	7,590	6,824	7,160	7,985
Goodwill & Investments	515	376	327	283
Inventory	2,563	2,881	3,422	3,316
Debtors	2,465	2,182	2,897	2,510
Other Current Assets	811	877	1,301	1,281
Cash	11,568	14,139	17,741	9,017
Total Current Assets	17,407	20,080	25,362	16,124
Creditors	6,065	5,405	7,441	7,493
Provisions	385	403	454	453
Other current liabilities	2,170	3,042	3,685	4,962
Total Current Liabilities	8,621	8,850	11,580	12,908
Net Current Assets	8,786	11,230	13,782	3,216
Others	1,218	1,078	1,724	1,958
Application of Funds	18,110	19,508	22,993	13,441

Source: DHRP, RHP, ICICI Direct Research

**Exhibit 20: Key ratios**

(Year-end March)	FY21	FY22	FY23	FY24
<b>Per share data (₹)</b>				
EPS	23.2	35.7	58.0	74.6
Cash EPS	47.4	62.4	84.9	101.8
BV	188.4	207.5	246.8	131.3
Cash Per Share	142.4	174.0	218.3	111.0
<b>Operating Ratios (%)</b>				
EBITDA Margin	10.4	11.6	12.5	13.1
PBT / Net sales	5.5	7.0	8.9	9.9
PAT Margin	4.6	6.1	7.8	8.7
Inventory days	22.8	22.2	20.7	17.3
Debtor days	22.0	16.8	17.5	13.1
Creditor days	54.0	41.6	45.0	39.2
<b>Return Ratios (%)</b>				
RoE	12.3	17.2	23.5	56.8
RoCE	13.1	17.7	24.2	55.0
RoC	46.1	81.6	172.2	236.8
<b>Valuation Ratios (x)</b>				
P/E	84.7	54.9	33.8	26.3
EV / EBITDA	35.1	26.7	18.9	16.5
EV / Net Sales	3.6	3.1	2.4	2.2
Market Cap / Sales	3.9	3.4	2.6	2.3
Price to Book Value	10.4	9.4	7.9	14.9
<b>Solvency Ratios</b>				
Debt/EBITDA	0.3	0.2	0.2	0.1
Debt / Equity	0.1	0.1	0.1	0.1
Current Ratio	0.9	1.0	1.0	0.9
Quick Ratio	0.5	0.5	0.5	0.5

Source: DHRP, RHP, ICICI Direct Research; Valuations at upper end of price band i.e. ₹ 1,960

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,  
ICICI Securities Limited,  
Third Floor, Brillanto House,  
Road No 13, MIDC,  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agarwal  
Contact number: 022-40701000 E-mail Address: [complianceofficer@icicisecurities.com](mailto:complianceofficer@icicisecurities.com)

For any queries or grievances: Mr. Bhavesh Soni Email address: [headservicequality@icicidirect.com](mailto:headservicequality@icicidirect.com) Contact Number: 18601231122

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