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Issue Offer

Fresh Issue of 38,88,000 Equity shares aggregating up to INR 505 Mn and OFS of 3,12,000 shares by Promoters group taking the total issue size at INR 546 Mn

Issue Summary

Price Band (INR)	123-130
Face Value (INR)	10
Implied Market Cap (INR mn.)	1,987.7
Market Lot	1000

Issue Opens on	Jan 07, 2025
Issue Close on	Jan 09, 2025
No. of share pre-issue	11,401,698
No. of share post issue	15,289,698
Listing	NSE, SME

Issue Break-up (%)

QIB Portion	≥50%
Retail Portion	≤35%
NII(HNI) Portion	≤15%

Registrar

GYR Capital Advisors Private Ltd.

Book Running Lead Managers

Link Intime India Private Ltd.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	97.59%	70.73%
Public & Others	2.41%	29.27%

Objects of the issue

- Funding of Expenditure towards Setting up an Electric Three-Wheeler Fabrication Plant & Painting Plant
- Investment in New Product Development
- Funding of working capital requirement
- General Corporate Purposes

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In 2016, Delta Autocorp Limited was founded as "Delta Autocorp LLP" and changed its name to a public limited company in 2024. Its primary business is the production and distribution of electric two- and three-wheelers. Prioritizing electric three-wheelers initially, they introduced their first E-rickshaw in 2017 with a range of more than 150 kilometers. In response to consumer demand, they entered the electric 2-wheeler industry in 2019 and released their initial model, which was followed by fashionable, robust, and reasonably priced 2-tier and 3-tier scooters. Working mostly in the B2B market, the Company has established a strong distribution network with more than 250 partners.

Investment Rationale

Technological Innovation and R&D Focus: Company emphasizes innovation with R&D, enabling the company to create advanced, high-quality automotive solutions. This focus on technology positions it to meet evolving customer demands and regulatory standards, giving it a competitive edge in the market.

Scalable Business Model with Growth Potential: The company operates with a scalable model designed for expansion. With proceeds from the IPO directed toward capacity building and market penetration, the company is poised to expand its geographic reach and product portfolio, capitalizing on increasing demand in the automotive sector.

Efficient Manufacturing and Distribution Capabilities: Equipped with modern infrastructure and strategic distribution networks, the company ensures seamless production and delivery. Its robust supply chain management reduces costs and enhances customer satisfaction, contributing to sustainable growth.

Strong Industry Position with Experienced Leadership: The benefits from its strategic positioning within the automotive industry and its experienced leadership team. With proven expertise in navigating market challenges, the management ensures operational efficiency and aligns with industry trends to maximize shareholder value.

Valuation and View : The company leverages technological innovation and R&D to deliver advanced automotive solutions, aligning with customer demands and regulatory standards for a competitive edge. Its scalable business model, supported by IPO proceeds, enables geographic expansion and portfolio diversification to tap into growing market demand. With efficient manufacturing, strategic distribution networks, and robust supply chain management, the company ensures cost-effective production and delivery. Backed by experienced leadership and strong industry positioning, it is well-equipped to drive sustainable growth. **At the upper band of INR 130, the issue is valued at a P/E ratio of 24.18x based on a FY24 EPS of INR 5.38. And based on Oct 25 annualized PAT the issue is valued at P/E ratio of 24.11x. We are recommending a "Subscribe" for this issue.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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