



In 2016, Delta Autocorp Limited was founded as "Delta AutocorpLLP" 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 Outlook: 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. **Recommending a "Subscribe" for this issue.**

Issue Snapshot

Issue Open	07-January-25
Issue Close	09-January-25
Price Band	INR 123 - 130
Issue Size (Shares)	42,00,000
Market Cap (mIn)	INR 1988

Particulars

Fresh Issue (INR mIn)	INR 50.54
OFS Issue (INR mIn)	INR 4.056
QIB	50%
Non-institutionals	15%
Retail	35%

Capital Structure

Pre Issue Equity	11401698
Post Issue Equity	1,52,89,698
Bid Lot	1000 Shares
Minimum Bid amount @ 123	INR 12300
Maximum Bid amount @ 130	INR 13000

Share Holding Pattern

Share Holding Pattern	Pre Issue	Post Issue
Promoters	97.59%	70.73%
Public	2.00%	29.27%

Particulars

Face Value	INR 10
Book Value	INR 14.85
EPS, Diluted	INR 6.1

Delta Autocorp Limited ("the Company"), established in 2016, specializes in manufacturing 2W & 3W electric vehicles (EVs). Operating under the brand name "Deltic", the Company offers a wide range of e-scooters, e-rickshaws, and e-garbage disposal vans and loaders catering to diverse needs of the Indian consumer. In the interest of longevity, cost efficiency, and customer safety the company is transitioning to Lithium Ferro Phosphate (LFP) batteries from Nickel-Manganese-Cobalt (NMC) batteries.

Investment Rationale

E2W penetration is projected to grow to 41-56% of the domestic volumes in FY 2028. As per these estimates, E2Ws (1% in 2022 to ~50% penetration in 2028-2029) are expected to see faster adoption than other disruptive technologies like smartphones (1% to 50% penetration in 11-12 years) and laptops (1% to 50% penetration in 17-18 years).

First company amongst the listed peers which is into both 2W & 3W EV offering products for different target segments. The company has sold 37,000+ EVs till October 24. One of the few EV companies in India to manufacture 3W EVs with a mileage of 150* KMs, ensuring higher driver earnings. Adopted firesafe LFP cells with higher life cycle for 2Ws.

Over 300 dealerships across 25 States & Uts till March 2024 from ~100 in FY21, plans to take it to 800+. 2 manufacturing plants in Bagpat, Uttar Pradesh and West Bengal with a total area of over 1,00,000 Sq.Ft.

Strategic Tie Ups with Government: company is exploring opportunities for selling innovative products such as the Electric Garbage Cart (Garbo), E-scooter, and E-rickshaw to the Government.

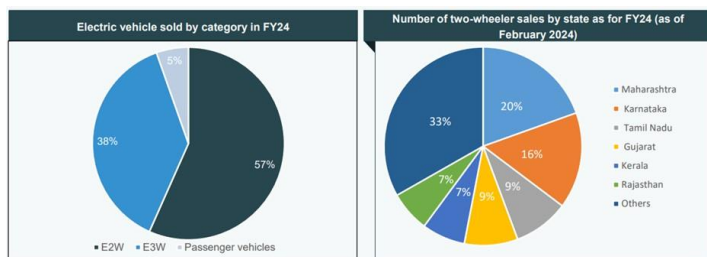
Deltic Service Center plans to establish service centers EV Hub, where the dealers will offer maintenance and repair services not only for Deltic vehicles but also for other brands' vehicles and components. Establishing beneficial partnership with government bodies for EV Garbage Cart.

Valuation and outlook:

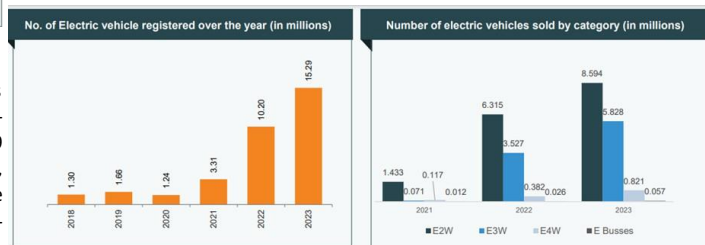
With a strong distributor addition plans coupled with the expansion of the servicing network expansion and focus on government orders and R&D to expand the product basket, they expect the company to clock very high growth rates initially doubling of revenues and profits over the next 2 years resulting in an EPS of ~ INR10, the issue price is discounting this earning at ~ 12-13x which is pretty attractive.

Industry Outlook

India has established an objective to elevate the proportion of electric vehicle (EV) sales to 30 % in private cars, 70 % in commercial vehicles, 40 % in buses, and 80 % in two-wheelers and three-wheelers by the year 2030.



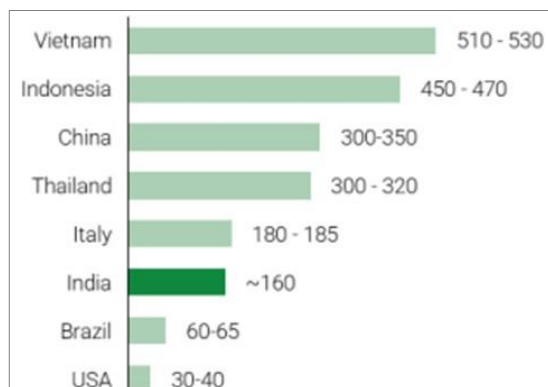
In 2023 E2W constituted the largest share of the total electric vehicles sold (by volume), accounting for 56%. It is projected to surpass one million units in 2024, driven by growing demand, enhanced manufacturing capabilities, and cost-effectiveness. As of February, Maharashtra leads in 2W sales for FY24, attributed to increased income levels and favorable government regulations. State targets 10% share of EVs in all new vehicle registrations by Dec 2025. Karnataka has set a goal to electrify 100% of three and four-wheeler cargo vehicles by December 2030.



In the past two years, sales of E2Ws have surged from around 143,000 in 2021 to over 859,376 in 2023, representing a tremendous growth. This increase is attributed to the growing demand for personal mobility, heightened environmental awareness, and the escalation in gasoline prices by ~46% between 2019 and 2022. The electric 3-wheeler (e3W) auto market, excluding e-rickshaws, experiences substantial growth, predominantly in the goods sector for last-mile delivery. Operating costs are 55% lower than conventional autos, spurred by e-commerce expansion and seamless transition.

Two-wheelers (2W)– India is a global production hub for two-wheelers – a total of ~19.5 Mn 2W were produced in India in FY 2023 contributing 15-20% of the world's total 2W production, making it the second largest 2W producer in the world after China. Of the total production, ~4 Mn units were exported. 16-17 Mn units were sold domestically. Globally, India is the second largest 2W market in terms of domestic sales volumes. Value of 2W domestic market size in India was ₹1.4-1.6 Tn (US\$17-20 Bn) in FY 2023.

2W per '000 Population – India vs Global Benchmarks (CY 2022)

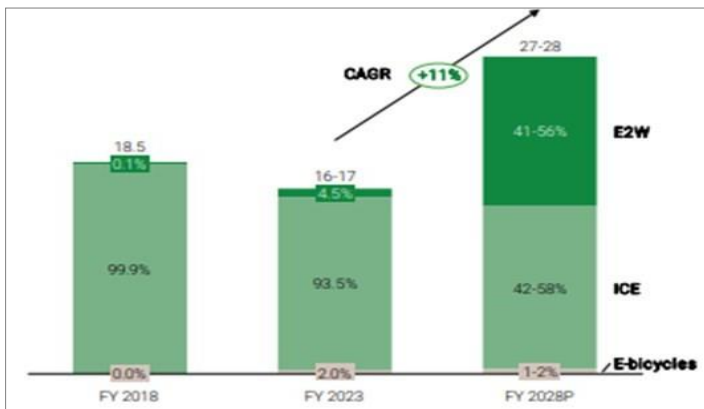


Three-wheelers (3W) – India is the largest producer of 3W in the world. The three-wheeler market segment includes vehicles used to transfer both passengers (e.g., auto rickshaws) and cargo (e.g., loading autos). 0.85 Mn 3Ws were produced in India, of which 0.36 Mn were exported and 0.48 Mn were sold domestically, as of FY 2023.

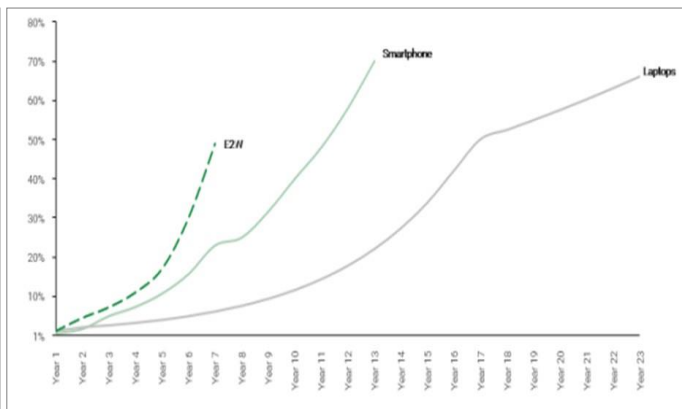
Within personal mobility segments (2Ws and private 4W-Passenger Vehicles), 2Ws are well positioned to lead the electrification wave in India, unlike many developed markets. This is because of high sensitivity of Indian consumers to the initial vehicle prices of EVs versus ICE vehicles (given the lower GNI per capita vs the developed markets).

E2W penetration is projected to grow to 41-56% of the domestic volumes in FY 2028. As per these estimates, E2Ws (1% in 2022 to ~50% penetration in 2028-2029) are expected to see faster adoption than other disruptive technologies like smartphones (1% to 50% penetration in 11-12 years) and laptops (1% to 50% penetration in 17-18 years).

Electric Two-Wheeler Penetration Projection (FY 2018, FY 2023 and FY 2028P)
(in Mn, % of Two-Wheeler Sales)



Category sales penetration curves for Smartphones, Laptops and E2Ws (as % of category sales volumes)



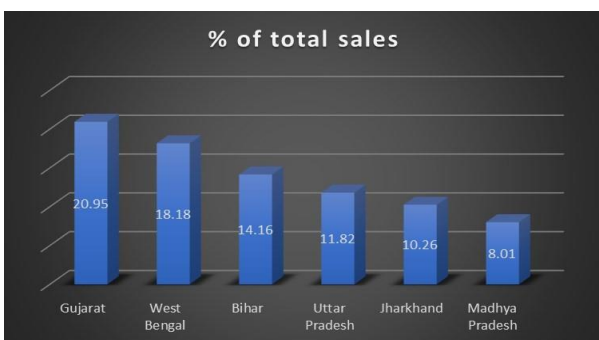
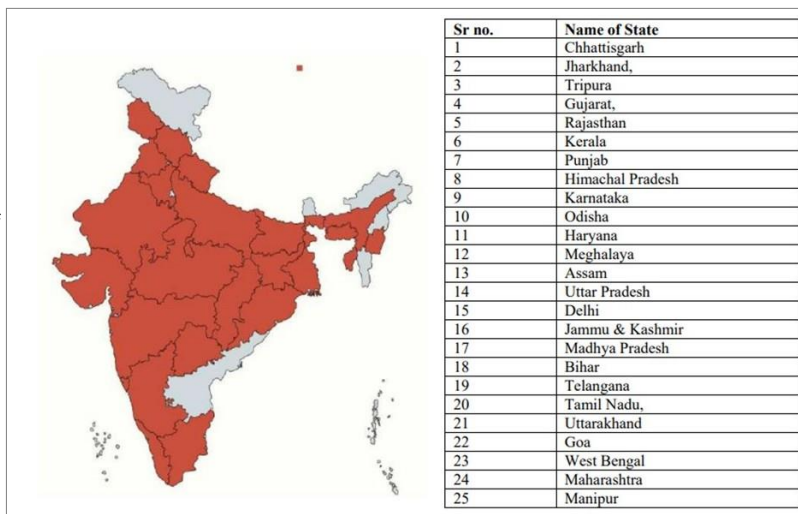
Deltic

Delta Autocorp Limited ("the Company"), established in 2016, specializes in manufacturing 2W & 3W electric vehicles (EVs). Operating under the brand name "Deltic", the Company offers a wide range of e-scooters, erickshaws, and e-garbage disposal vans and loaders catering to diverse needs of the Indian consumer. In the interest of longevity, cost efficiency, and customer safety the company is transitioning to Lithium Ferro Phosphate (LFP) batteries from Nickel-Manganese-Cobalt (NMC) batteries.



Network Expansion: In a strategic move towards network expansion, the organization has outlined a comprehensive plan to establish a robust network of more than 800 dealers across the length and breadth of the country in the next 5 years. This ambitious initiative involves a systematic approach, aiming to add 30 new dealers every quarter. By adopting a quarterly growth strategy, the company aims to steadily and consistently increase the dealer base, enhancing the reach and market presence. This expansion plan reflects the commitment to creating a widespread and accessible network, providing the products or services to a broader audience while fostering mutually beneficial partnerships with new dealers.

New Product Development Philosophy: will continue to add new design to existing product portfolio to cater to various customer and price segments in the markets. Endeavor to maintain the quality of products, and follow strict procedures to ensure quality control, and competitive prices. The company intends to strengthen its product development effort by leveraging skills of its employees and focusing on changing trends in the designs and customers demand, which will help to increase the sales of the Company.



The top 6 states contribute to ~ 84% of sales.

Deltic Service Center plans to establish service centers EV Hub, where the dealers will offer maintenance and repair services not only for Deltic vehicles but also for other brands' vehicles and components. Establishing beneficial partnership with government bodies for EV Garbage Cart.

Strategic Tie Ups with Government: company is exploring opportunities for selling innovative products such as the Electric Garbage Cart (Garbo), E-scooter, and E-rickshaw to the Government. They have registered with the Gujarat Energy Development Agency (GEDA) subsidy scheme. The Gujarat Energy Development Agency (GEDA) scheme, initiated by the Gujarat 135 government, aims to promote the adoption of electric vehicles (Evs) within the state. Under this scheme, the Gujarat government provides a subsidy of ₹10,000 to Students in 9th to 12th standard purchasing electric vehicles. To facilitate this process, the government requires Original Equipment Manufacturers (OEMs) to submit a bank guarantee (BG) every year. While this scheme does not directly benefit manufacturers, it effectively reduces the purchase price for end customers. This reduction is expected to boost sales, thereby increasing revenue for dealers and ultimately benefiting manufacturers through higher sales volumes. These represent a significant step towards establishing mutually beneficial partnerships that align with the commitment to providing sustainable and efficient urban mobility solutions. The Garbo, an exemplary product in the portfolio, offers a unique blend of convenience and eco-friendliness, making it an ideal choice for modern urban waste transportation needs. Additionally, the engagement in E-scooter and E-rickshaw distribution

underscores the dedication to fostering clean and accessible transportation alternatives. They are optimistic that these discussions will lead to collaborations that not only drive economic growth but also contribute to the overall advancement of environmentally conscious mobility solutions in collaboration with the government.

Deltic Service Center: The company already has service centers at all the 300 dealers. They have plans to establish service centers EV Hub, where dealers will offer maintenance and repair services not only for Deltic vehicles but also for other brands' vehicles and components, including child parts. This strategic initiative aims to not only attract more customers to dealerships but also generate service revenue promptly, ensuring their sustainability. They envision the opening of over 800+ Deltic service outlets in the next 5 years as part of commitment to providing comprehensive and efficient service solutions.

Financials:

The revenues from operations for the period from April 1st, 2024 to October 31st, 2024, from July 21, 2023, March 31, 2024, from April 1, 2023 to July 20th, 2023 and Fiscals 2023, 2022 were Rs.4517.92 lakhs, Rs.6307.28 lakhs, Rs.1774.01 lakhs and Rs.8,001.98 lakhs and Rs.5,713.39 lakhs respectively. EBITDA for the period from April 1st, 2024 to October 31st, 2024, from July 21, 2023 to March 31, 2024, from April 1, 2023 to July 20th, 2023 and Fiscals 2023, 2022 were Rs. 668.82 lakhs, Rs. 951.83 lakhs, Rs. 187.75 lakhs, Rs. 784.34 lakhs and Rs. 622.63 lakhs respectively. Profit after tax for the period from April 1st, 2024 to October 31st, 2024, from July 21, 2023 to March 31, 2024, from April 1, 2023 to July 20th, 2023 and Fiscals 2023, 2022 were Rs.480.81 lakhs, Rs. 695.68 lakhs and Rs.126.32 lakhs Rs. 513.41 lakhs and Rs.420.34 lakhs respectively.

Valuation & Outlook:

With a strong distributor addition plans coupled with the expansion of the servicing network expansion and focus on government orders and R&D to expand the product basket, they expect the company to clock very high growth rates initially doubling of revenues and profits over the next 2 years resulting in an EPS of ~ INR10, the issue price is discounting this earning at ~ 12-13x which is pretty attractive.

Key Promoter:

Ankit Agarwal, aged 40 years, is the Chairman, Managing Director and Promoter of the Company. He holds degree in Bachelor of Engineering from Visveswaraiah Technological University, Belgaum, Karnataka and Master's in Business Administration from S.P. Jain from Dubai/Singapore. He started his career as Business Analyst at UBS, along with that he actively involved in making financial model and doing valuations of various companies while as UBS. Further, he has more than 14 years of experience in dealing in business of Electric Vehicles.

Profit & loss

Particulars (₹ in Lakhs)	Apr. 01, 2024 – Jul. 21, 2023 – Apr. 01, 2023 –			FY 2023	FY 2022	Particulars	Apr. 01, 2024 – Oct. 31, 2024			FY 2023	FY 2022
	Oct. 31, 2024	Mar. 31, 2024	Jul. 20, 2023				– Oct. 31, 2024	2023 – Mar. 31, 2024	2023 – Jul. 20, 2023		
Revenue from Operations	4,517.92	6,307.28	1,774.01	8,001.98	5,713.39						
Other Income	9.61	27.25	8.19	53.58	40.02	Growth in Revenue from Operations (%)	N.A.	N.A.	N.A.	40.06%	242.79%
TOTAL INCOME	4,527.53	6,334.53	1,782.20	8,055.56	5,753.41	EBITDA (₹ in Lakhs)	668.82	951.83	187.75	784.34	622.63
EXPENSES						EBITDA Margin (%)	14.77%	15.03%	10.53%	9.74%	10.82%
Cost of raw material consumed	3,359.71	4,739.19	1,356.05	6,263.32	4,358.76	Profit After Tax (₹ in Lakhs)	480.81	695.68	126.32	513.41	420.34
Changes in inventories of Finished goods and Work in progress	(57.25)	(133.73)	17.08	(13.21)	(26.63)	PAT Margin (%)	10.64%	11.03%	7.12%	6.42%	7.36%
Employee benefits expense	239.83	321.29	98.74	461.52	260.52	ROE (%)	23.69%	45.89%	10.60%	56.10%	51.76%
Finance costs	16.18	1.43	13.40	82.93	47.95	ROCE (%)	19.32%	40.32%	10.67%	49.30%	43.14%
Depreciation and amortization expense	16.79	20.96	6.55	23.15	15.01	Debt-Equity Ratio	0.49	0.30	0.38	0.36	1.06
Other expenses	309.75	455.38	121.57	551.32	532.95	Earning Per Share (in ₹)	4.22	9.51	2.28	9.25	7.57
Profit before tax	642.52	930.01	168.81	686.53	564.85						
Current Tax	165.72	234.60	43.70	176.45	145.58						
Deferred Tax	(4.01)	(0.27)	(1.21)	(3.33)	(1.07)						
Profit after tax	480.81	695.68	126.32	513.41	420.34						

Balance Sheet

Particulars (₹ in Lakhs)	Apr. 01, 2024 – Oct. 31, 2024			FY 2023	FY 2022	Particulars (₹ in Lakhs)	Apr. 01, 2024 – Oct. 31, 2024			FY 2023	FY 2022
	31, 2024	31, 2024	20, 2023				– Oct. 31, 2024	2023 – Mar. 31, 2024	2023 – Jul. 20, 2023		
EQUITY AND LIABILITIES						ASSETS					
Shareholder's Funds						Non-Current Assets					
a. Share Capital	1,140.17	30.82	-	-	-	a. Property, Plant & Equipment and Intangible Assets					
b. Partner's Capital account	-	-	15.00	15.00	15.00	- Property, Plant & Equipment	65.77	74.03	67.89	59.59	64.62
c. Partner's Current Capital Account	-	-	1,227.62	1,126.48	673.82	- Intangible Assets	16.17	16.65	11.44	11.15	13.93
d. Reserves and Surplus	1,129.93	1,758.47	-	-	-	-Intangible Assets Under Development	180.91	103.26	28.76	-	-
Non - Current Liabilities						b. Deferred Tax Assets	12.58	8.58	8.31	7.09	3.76
a. Long-term Borrowings	-	-	-	2.31	7.10	c. Long-term Loans & Advances	93.47	174.68	92.68	136.16	-
b. Other Long-term Liabilities	247.01	251.41	221.37	213.57	150.32	d. Other Non-current assets	12.75	12.65	18.41	12.26	2.98
c. Long-term Provisions	34.53	23.09	24.26	19.97	12.26	Current Assets					
Current Liabilities						a. Inventories	1,833.41	1,741.84	1,373.85	1,355.27	1,368.49
a. Short Term Borrowings	1,120.31	536.21	467.09	411.29	726.47	b. Trade Receivables	736.94	282.04	7.61	47.84	4.42
b. Trade Payables						c. Cash and Bank Balance	39.06	85.53	14.69	47.25	10.04
i) Total outstanding dues of micro enterprises and small enterprises	370.30	582.40	96.13	14.51	60.24	d. Short-term loan and advances	1,750.14	960.94	852.12	432.62	563.16
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	124.96	137.79	139.09	151.18	176.72	e. Other current assets	1.11	1.15	0.35	0.81	0.21
c. Other Current liabilities	573.15	140.02	284.52	154.45	207.82						
d. Short Term Provisions	1.95	1.14	1.03	1.28	1.86						
Total	4,742.31	3,461.35	2,476.11	2,110.04	2,031.61	Total	4,742.31	3,461.35	2,476.11	2,110.04	2,031.61