

'Ready to export to new EV mkts if there is demand'

All set to debut on Indian bourses, Korean-origin auto major Hyundai Motor India Ltd (HMIL) says its IPO will ensure the company is more "dedicated" to succeed in India. Speaking with Sohini Das and Samie Modak in Mumbai, UNSOO KIM, president, CEO and MD, WANGDO HUR, executive director and CFO, and TARUN GARG, whole time director and COO of HMIL outline their plans. Edited excerpts:

Why is Hyundai Motor looking to list in India?

Kim: This is one of the most fundamental questions and very crucial to us. India is one of the most exciting automobile markets in the world and Hyundai Motor India has been successful for 26 years, and currently we are the second-largest passenger vehicle maker in India. Therefore, we feel it is the right time to further "Indianise" our operations here and become a "home-brand" in India. Our IPO will ensure that HMIL is even more dedicated to succeed in India. Also, we continue to pursue global standards in terms of governance. The IPO will provide a good opportunity for local and global investors to take part in our growth story.

When did the idea of doing an India IPO come?

Kim: Globally, Hyundai Motor Group (HMG) is the third-largest, and Hyundai Motor Corporation (HMC) has great

business capabilities worldwide — R&D capability, brand power, and best practices. HMC's vision is to transport humanity and under that vision we started our operations in India in 1998. It is the right time now to go for an IPO.

What is the investor feedback on your valuation?

Kim: Last two months we did roadshows in Europe, North America, Asia and West Asia. Lot of investors have welcomed our IPO in India. They are very interested. Regarding the price band, our bankers have analysed the market trends and global trends. I believe they have aptly set the price band.

What is your cash in the bank and how do you plan to fund your expansion in India?

Hur: We plan to fund our investment plan of ₹32,000 crore from our internal accruals. As of April 1, the cash in hand was ₹9,000 crore.



(L to R) Hyundai Motor India Managing Director Unsoo Kim, Chief Financial Officer Wangdo Hur, and Chief Operating Officer Tarun Garg

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The company has paid out a large dividend. Going forward, what is going to be your dividend policy?

Hur: The dividend payout was very huge

compared to previous years because we didn't pay any dividend during the Covid19 period. So, in FY24 our dividend payout was a little bit higher than previous

years. Usually, our dividend payout is 40 per cent of our earnings. But after the IPO, we will decide our new dividend policy. We will consider every factor like earnings, future capex plans, etc.

Will the royalty policy be relooked at?

Hur: Currently, our royalty payment (to the parent firm) is 3.5 per cent of total passenger vehicle revenue in FY25. Going forward, we will maintain the same rate (for royalty payment) unless there are significant changes in Organisation for Economic Co-operation and Development guidelines or global transfer pricing.

Do you plan to export EVs from India?

Kim: Currently, we are the second-largest exporter from India. We will focus more on exports. EV exports will depend on the market dynamics of our export countries or markets. If in any country there is an initiative from the government to create EV infrastructure, then we will definitely export our EVs to the export market. We are majorly focussing on emerging markets like the West Asia, Asia and Latin America. If we see any EV demand there, then we will try to cover that too.

SUVs now make up almost 70 per cent of your sales. Do you have any plans for smaller cars?

Kim: We have hatchback now, apart from sedans. We will maintain our current model line-up in the future and also add EVs. We have Aura, Nios, Exter, etc. We will cover all segments — hatch, sedan and SUVs.

How are you preparing for the upcoming Corporate Average Fuel Economy (CAFE)-III norms? How do you plan to increase share of greener cars in your portfolio? Any plans to bring in hybrids?

Garg: Over the past 26 years, we have met all regulations. CAFE-III regulations are still under discussion, but we are confident (to meet them) because we have access to all of HMC's technologies. The strategy is very clear — in the entry level, petrol and CNG work well, in the SUV segment, diesel and petrol work well, and then we have strong EV plans. We are bringing in the Creta EV (Q4FY25) and three more EVs eventually backed by strong localisation and charging infrastructure. So, we feel whatever the norms will be, we will be in a position to meet those norms.