

HONDA

POWER PRODUCTS

22nd March, 2023

Honda India Power Products Limited (HIPP) is a subsidiary of Honda Motor Co. Ltd. Japan, which was established in India in 1985. The company is engaged in the manufacturing of portable generators, water pumps, lawn mowers, tillers and brush cutters. HIPP has a manufacturing plant in Greater Noida, Uttar Pradesh, India, which has a production capacity of 1.5 million units per annum. Honda India Power Products Limited (HIPP) has been operating in India for over three decades, during which it has established a reputation for producing high-quality portable power products.

HIPP is one of the leading players in the portable power products market in India. The company has a strong presence in the residential and commercial segments and has a wide distribution network across India. HIPP's products are known for their quality, reliability, and durability, and the company has been able to establish itself as a preferred supplier to the government and institutional customers. HIPP's state-of-the-art manufacturing plant and dedicated research and development team ensure high-quality products and efficient production processes. Overall, HIPP is well-positioned to capitalize on the growing demand for portable power products in India.

There was an agreement between Honda Motor Co. Ltd (parent) and Usha International Ltd to operate the company as a Joint Venture entity. The following agreement was terminated on 31st March 2020. In July 2020, the company changed its name from 'Honda Siel power Products Ltd' to 'Honda India Power Products Ltd'.

Investment rationale

- **Robust Research and Development is the back bone of innovation and consistent improvement in product quality :** HIPP has a dedicated research and development team, which is responsible for developing new products and improving existing ones. The company invests heavily in research and development activities and has set up a dedicated R&D center in India. The R&D center is equipped with advanced testing and prototyping facilities, which help in the development of high-quality products. HIPP's R&D team also works closely with Honda Motor Co. Ltd. Japan, to leverage their global expertise and technologies.
- **Strong Distribution Network is the key to its penetration:** HIPP's distribution network is also a key strength. The company has over 600 dealers and 5,000 retailers across India, which makes its products easily accessible to customers in both urban and rural areas. Additionally, HIPP has been able to establish itself as a preferred supplier to the government and institutional customers, which has helped it to maintain a steady revenue stream.
- **Product Portfolio:** HIPP's products are designed to cater to a wide range of customers, including residential, commercial, and industrial users. The company's portable generators are particularly popular among small business owners and homeowners who require a reliable source of backup power. HIPP's water pumps are widely used in the agriculture and construction industries, while its lawn mowers and brush cutters are popular among landscapers, farmers, and homeowners.
- **Market Positioning:** Honda India Power Products is one of the leading players in the portable power products market in India. The company has a strong presence in the residential and commercial segments, with a market share of around 15%. HIPP's products are known for their quality, reliability, and durability. The company has a wide distribution network, which includes more than 600 dealers and over 5,000 retailers across India. HIPP has also been able to establish itself as a preferred supplier to the government and institutional customers..

Stock Data	
CMP	₹ 2006
52 Week High/Low	₹ 2918/1194
Face Value	₹ 10
Market Cap (In Crs)	₹ 2,033
NSE	HONDAPOWER
BSE	522064
Bloomberg	HONDAPWR:IN
Sector	Capital Goods: Electrical Equipment's

Shareholding Pattern (in %)		
	Sept-22	Dec-22
Promoter	66.67	66.67
FII	0.59	1.53
DII	13.43	13.30
Public	19.32	18.5

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	(2.39)	(1.11)	(1.05)
Honda Power	4.24	33.60	58.64

Key Ratios	
P/E	21.46
P/B	1.87
Debt To Equity	0
ROE (%)	11.7
ROCE (%)	15.8
Dividend Yield (%)	0.77

Company Background

Honda India Power Products Limited (HIPP) is a subsidiary of Honda Motor Co. Ltd, Japan, and was established in 1985 in India. It is primarily engaged in manufacturing and marketing a range of portable generators, water pumps, and engines for various applications. The company has two manufacturing plants in India, one in Greater Noida, Uttar Pradesh, and the other in Kolar, Karnataka. HIPP's products are known for their quality, durability, and reliability, and are used for various applications such as in homes, offices, industries, and agriculture.

HIPP has a strong distribution network across India, with dealerships and service centers located in various cities and towns. The company has a dedicated team of professionals who provide after-sales service and support to its customers. In addition to its focus on manufacturing quality products and providing excellent customer service, HIPP is also committed to sustainability and has implemented various measures to reduce its environmental impact. This includes the use of renewable energy sources, waste reduction, and energy efficiency measures.

Its portable generators are available in different capacities and are suitable for both residential and commercial use. These generators are known for their fuel efficiency, low noise levels, and ease of use. HIPP's water pumps are also available in various sizes and can be used for applications such as irrigation, construction, and draining water from flooded areas. Apart from generators and water pumps, HIPP also manufactures engines that are used in various applications such as agriculture, construction, and power equipment. These engines are known for their durability, fuel efficiency, and low emission levels.



Business Division

Generator: The continuous COVID-19 pandemic waves led economic stranglehold on small and medium businesses, especially in the wake of activities clampdowns caused considerable shrinkage in portable generator demand. The short window of high spurt in demand instances during natural disasters was very few in the financial year 2021-22, limiting its contribution to overall sales. Many corporates and institutions deferred significant investments towards new assets, which led to pushing forward of their forecasted orders in this segment.

Opportunities	Concerns	Outlook
Revival and normalization of economic activities and operations nationally, especially in small and medium businesses, together with expected portable power backup demand in the first six months, is very much anticipated. Promotions focused on semi-urban, two and three-tier cities to leverage pent-up lifestyle/comfort requirements from an upward mobile consumer base are expected to win appeal of fuel-efficient and reliable offerings in these times	Adequate power generation was available, matching overall manufacturing / industrial power demands, which remain much lower than pre-covid levels. Thus, the Peak power deficit continues to be within acceptable levels. Interim demand for products in urban areas driven by long-haul power cuts has thus reduced considerably. Economic activities resumption to pre-covid levels and the thus related effect on improved consumer spending on lifestyle products is expected to remain subdued in the near short term.	Portable power backup demand from the generator, especially regarding the revival of business scenario, is expected to continue but grow at a slower pace, driven by application-based sales, ad-interim, external and extreme conditions in niche and niche and no alternate power source conditions requirements.

General Purpose Engines and Water Pumping Sets

The portable product range of petrol-fueled engines and water pump business transition from kerosene-powered products was fully completed in Financial Year 2021-22. An unseasonal, erratic and longer stretch of monsoon augured a decline in Water Pump sales, especially in eastern and southern markets. However, the state and central government's ongoing support mechanisms towards farming and fisheries sectors were within acceptable levels, providing continuity in key areas and markets. In addition, the company's directional approach to expand demand based on application and solutions gave us acceptance into portable types of equipment and mechanization needs of the Construction segment.

- HIPP launched two new models, a 2-inch high head-self priming pump and a 3-inch high discharge self-priming, pump-taking further steps to strengthen its leadership position in these two wide yet specific segments appealing to the farmer needs in hilly regions, and high water requirements, respectively.

- The government's ongoing support to the agriculture and horticulture ecosystem provided some rollover conversions, but overall uncertainty towards continuity of subsidy policy and disbursement mechanisms is impacting agriculture-related Original Equipment Manufacturers (OEM) sentiments and impacting engine sales.

- Construction segment mechanization, primarily towards small, portable and compact machines and applications was affected owing to constrictions imposed by guidelines and overall economic activities downturn. However, the need, reach, and acceptance of added relief through engine-powered applications will remain a user-driven market requirement.

- Waterways expansion and water mobility requirements, upgrading from manual to engine driven rowing have been improving the business and the development of consumers' lives in this segment. In addition, the company's targeted, selective outreach in coastal areas and waterways by setting up support to augment the visibility and knowledge base towards such applications alongside its offerings and providing after-sales set up at users' doorstep is moving positively and creating a mechanization shift.

- Despite persistent lockdowns in urban areas, rural area activities continuity enabled outreach and connection to the farming community. In addition, continued supply chain requirements towards agriculture produce / products, ensured demand and need for farm operation products and services. The company's channel-led demonstrations, supported through vans and manpower deployed to remain in connect, were well received in these difficult times, keeping the brand's promise of continued operations and serving to support products and customers.



GX 120



GXV160



GXH50

Outlook

State and Union Government continue to allocate and provide support towards agriculture and infrastructure sectors as expected albeit with changes in composition, disbursement and attributes.

Company is pursuing development of multi-channel structures supporting Original Equipment Manufacturers in the country across various segments to develop application related products and equipment. Tying up with such small, medium and specialized quality manufacturers is expected to build another much needed ecosystem of cost competitive and application specific products and services.

Opportunities

- Farm output improvement programs and investments all across, led by an increased level of mechanization shift towards horticulture and oil seeds, are all leading indicators of better farm incomes. This sector's returns on investments were encouraging at all levels. Normal monsoon expectations were short-lived in Financial Year 2021-22. Still, the forecast of a normal monsoon in the coming year is resuming the confidence index of investments in agriculture and horticulture sectors, boosted by better crop price expectations. Construction mechanization, through portable engines, run applications and Farm mechanization products such as engines, and water pumps, riding on increasing rural incomes, expected continuity in Government support, and the high cost and scarcity of manual labour will provide much-needed demand for the company's product portfolio and offerings.

- Growing awareness with a will to address environmental concerns brings in demand towards more fuel-efficient engines and water pumps.

Concerns

State and Union Government outlays around subsidy policy composition, application and disbursement mechanisms with increased pressure on directing the resources towards new programs

Brush Cutters

Brush cutters application and expansion by leveraging and featuring the cutting edge four stroke and 360 degrees rotation of the Company's M4 (micro series) engine family have consistently kept the Company as the market leader. HIPP's range of fuel-efficient and reliable Brush cutters is specifically suited for mechanized solutions for farm activities like de-weeding and harvesting.

Company's complete portfolio of the fixed shaft, flexible shaft, and high-powered variants provide a matched solution to the needs of the frequent user, varied demographic and professional users, respectively. Company is thus fully supported in all user-driven mechanization needs.



UMR435T L2ST

Tillers

The Company introduced a high HP tiller to expand the portfolio of an already successful family of entry-level and high-end rotary tillers. The new tiller is directed at the farming community that wants to do more with a higher power in applications requiring diverse use of attachments. The horticulture segment is highly care sensitive and highly labour-intensive. Honda tillers are creating a place for themselves amongst such horticulture farmers growing vegetables & cash crops, creating much-needed mechanization conversion from manual labour. Central and State governments continue to assist in making Tillers more accessible through various schemes.



FJ500

Other Products

- Lawn Mowers
- Outboard Motors



Lawn Mowers

Comprehensive Investment Rationale

Strong Brand Reputation : Honda is a globally recognized brand with a strong reputation for producing high-quality and reliable products. Honda Power India, a subsidiary of Honda Motor Company Ltd., inherits this strong brand reputation. This reputation is built on a long history of producing innovative and reliable products, which has earned the trust and loyalty of customers worldwide.

Honda's commitment to quality is reflected in its manufacturing processes, which use advanced technology and employ rigorous quality control measures to ensure their products meet the highest standards. As a result, Honda products are known for their durability, efficiency, and longevity, which translates into customer value for money.

Honda is also known for its customer-centric approach. They believe in understanding the needs of their customers and providing them with the best possible solutions. This has resulted in a loyal customer base who trusts the Honda brand and its products.

initiatives. As a subsidiary of Honda Motor Company Limited, Honda Power India benefits from this reputation and can build trust and loyalty among its customers.



Robust Research and Development is the back bone of innovation and consistent improvement in product quality:

Honda Power India's strong focus on technology and innovation allows them to develop advanced and high-quality power products. The company invests heavily in research and development to develop efficient, reliable products that meet its customers' evolving needs.

Some of the areas where Honda Power India has demonstrated their technology and innovation capabilities are:

- **Engine Technology:** Honda Power India uses advanced engine technology to produce efficient and reliable engines for their power products. They use a range of technologies such as electronic fuel injection, variable valve timing, and Honda's unique Eco-Throttle system to optimize the performance of their engines.
- **Inverter Technology:** Honda Power India has developed inverter technology that provides a stable and clean power supply to sensitive electronics such as computers, televisions, and medical equipment. This technology helps to prevent damage to the electronics, ensuring their longevity.
- **Portable Generators:** Honda Power India has developed a range of portable generators that are lightweight, fuel-efficient, and easy to use. These generators are designed to meet customers' needs who require power in remote locations or during power outages.
- **Water Pumps:** Honda Power India uses advanced technology to produce high-performance water pumps for various agriculture, construction, and mining applications. These pumps are designed to be reliable and efficient, even in harsh conditions.
- **Robotics:** Honda is a leader in robotics technology, and Honda Power India has been involved in developing robotics for industrial and medical applications.

Efforts made by the company towards technology upgradation

- The company has availed the service of technical specialists from the foreign collaboration who impart on-the-job training and guidance to the company's engineers and technicians.
- For the development of the new technology model and to improve the manufacturing quality of in-plant/out-plant parts, a new manufacturing facility has been added in the following areas:
 - » Adoption of technology to produce General purpose engine for usa Market.
 - » Localization and cost reduction of parts of engines and Generators.
 - » Adoption of global concept for domestic engines with e10 Gasoline.
 - » Upgrading existing Generator models to continuously meet the regulation of advance countries such as: -
- EPA CARB and Evaporation for USA Market.
- ANSI/PGMA for USA Market.
- Meeting ROHS compliance for UAE Market.

Benefits derived like product improvement, cost reduction, product development or import substitution

- Meeting customer and regulatory requirements in all product ranges like engine and Generator.
- Producing environment-friendly products by managing hazardous substances.
- Cost reduction through indigenization.
- Enhancement of the sales feature of the products

Strong Distribution Network is the key to its penetration

Honda Power's distribution network is a critical component of the company's business model, which is built around providing high-quality, reliable power products to customers around the world. This network includes a wide range of partners, including dealerships, distributors, and retailers, who work together to promote and sell Honda Power products. The company has over 600 dealers and 5,000 retailers across India, which makes its products easily accessible to customers in both urban and rural areas. Additionally, HIPP has been able to establish itself as a preferred supplier to the government and institutional customers, which has helped it to maintain a steady revenue stream.

One of the key benefits of Honda Power's distribution network is its ability to reach customers in diverse markets and regions. Through its network, the company can identify and respond to the unique needs and preferences of customers in different countries, helping to tailor its products and marketing efforts to local markets. This can be a significant advantage for investors, as it means that Honda Power is well-positioned to capture market share and increase sales in a range of different markets.

Another important aspect of Honda Power's distribution network is its focus on building strong, long-term relationships with partners and customers. The company works closely with its partners to provide training, support, and other resources that can help them to sell and promote Honda Power products more effectively. By building these relationships, Honda Power can ensure that its products are being marketed and sold in the most effective way possible, helping to increase sales and build brand loyalty among customers.

Finally, Honda Power's distribution network helps to ensure that products are delivered to customers in a timely and efficient manner. This is important for investors because it helps to minimize the risk of stockouts and other supply chain disruptions, which can impact sales and profitability. By working closely with partners to manage inventory levels and ensure timely deliveries, Honda Power can maintain a strong position in the market and continue to grow its business over the long term.

In summary, Honda Power's strong distribution network is an important asset that can help to drive sales, increase market share, and enhance brand reputation. For investors, this network represents a key strength that can help to provide stability and growth opportunities over the long term.

600+
DEALERS

5000+
RETAILERS

5 MILLION+
CUSTOMERS

Product Portfolio Fits Perfectly To Cater The Growing Demand

One key driver of the growing demand for Honda Power's products is the increasing need for reliable and efficient power solutions, particularly in emerging markets. As populations grow and economies develop, the demand for power products such as generators, water pumps, and other power equipment is likely to increase. This trend is expected to continue in the coming years as more people in developing countries gain access to electricity and demand for power products grows.

Another factor contributing to the growing demand for Honda Power's products is the increasing popularity of outdoor activities such as camping & boating. These activities often require the use of portable power equipment, such as generators and portable power banks, which can be used to power appliances and devices when there is no access to grid power. This trend has been further accelerated by the COVID-19 pandemic, which has led to a surge in demand for outdoor activities and recreation.



Furthermore, as the world becomes increasingly focused on reducing greenhouse gas emissions, the demand for more efficient and sustainable power products is likely to increase. Honda Power has been at the forefront of this trend with its development of products such as hybrid generators and other environmentally-friendly power equipment. As such, the company is well-positioned to capture market share in the growing sustainable power market.

In summary, the growing demand for reliable and efficient power products, combined with the increasing popularity of outdoor activities and the trend towards more sustainable products, makes Honda Power a potentially attractive investment opportunity. By investing in Honda Power, investors can potentially benefit from the long-term growth potential of the company's products and markets.

Export Opportunity

Honda Power is a global company with a presence in various regions and countries worldwide. As such, the company exports its products to many different markets, making it an important player in the global power equipment industry. Honda Power's exports are a significant contributor to the company's revenue and growth. The company's strong brand reputation and high-quality products have helped it to establish a strong presence in many different countries, including the United States, Europe, Asia, and South America. This global presence and diversified market exposure can help to reduce the company's dependence on any single market or region, thereby reducing its risk and increasing its stability over the long term.

Currently, its products are being sold to more than 35 countries across the globe and 7.0 kVA generator has established its good image due to quality, performance, and technology (Fuel Injection System) in the USA, Europe, and other developed markets. Business from North American and European markets continues to be encouraging. This model is meeting the stringent air & noise pollution norms applicable to India, the USA, and other developed nations and this is the first "Fuel Injection Based" generator (in its category) introduced by Honda in the world market in 2014. Due to overseas performance, the Central & State Govt. recognized it through National & State level awards and Certificate of Recognition from time to time. Engine business from the North America's OEM applications continues to be the highest among all product categories.

New markets development by working closely with the distributors has enabled successful diversification with variety of products such as Tillers and small Engines. Taiwan, South Korea, Indonesia shipments promise better visibility and understanding of these customer profiles to help us to achieve more in these markets.

Other Products Offered For Exports:

- Water Pumps
- Generators
- Tillers
- General Purpose Engines



7.0 kVA generator

Honda Power's ability to export its products is also supported by its strong research and development capabilities, which enable it to develop products that meet the unique needs and preferences of customers in different markets. By focusing on product innovation and differentiation, Honda Power can differentiate itself from competitors and maintain a strong position in the global power equipment market.

In summary, Honda Power's exports play an important role in the company's growth and success. By exporting its high-quality power equipment to diverse markets, Honda Power can reduce its risk, increase its stability, and tap into new growth opportunities. As such, the company's ability to export its products is an important factor for investors to consider when evaluating the company's investment potential.

Commitment towards reduction in power consumption and efficiency

Honda Power is committed to environmental responsibility, and this commitment is reflected in the company's business practices, products, and operations. Here are some ways in which Honda Power demonstrates its environmental responsibility:

- **Product development:** Honda Power is continually working to develop products that are more energy-efficient and environmentally friendly. For example, the company has developed a range of hybrid generators that use a combination of gasoline and electricity to reduce emissions and improve fuel efficiency. Honda Power has also developed products like water pumps and lawnmowers that are designed to be more fuel-efficient and reduce emissions.
 - **Manufacturing processes:** Honda Power is committed to reducing its environmental impact through its manufacturing processes. The company has implemented a range of initiatives to reduce waste and conserve energy in its manufacturing facilities. For example, the company uses renewable energy sources, such as solar power, to generate electricity at some of its manufacturing plants.
 - **Supply chain sustainability:** Honda Power is committed to working with suppliers who share its commitment to environmental responsibility. The company has implemented strict standards for suppliers to ensure that they are operating in an environmentally responsible manner.
 - **Recycling:** Honda Power is committed to reducing waste and increasing recycling. The company has implemented a range of recycling programs in its manufacturing facilities and has developed products that are designed to be more easily recycled at the end of their life.
 - **Corporate social responsibility:** Honda Power is committed to being a responsible corporate citizen. The company supports a range of environmental and social initiatives, such as tree-planting programs and disaster relief efforts.
- Overall, Honda Power's commitment to environmental responsibility is an important factor for investors to consider. By prioritizing sustainability and reducing its environmental impact, the company can help to reduce its risk and enhance its brand reputation over the long term. Furthermore, the growing trend towards sustainability and environmental responsibility presents significant growth opportunities for companies that are able to meet these demands, potentially making Honda Power an attractive investment opportunity for environmentally conscious investors.

The steps taken for impact on conservation of energy.

- Stoppage of idle running of hydraulic motor of hydraulic power pack in 7 machines in machine shop, leading to 17,830 kWh energy saving per year.
- Installation of LDR (Light Dependent Resistor) sensors in LED high bay lights to switch ON/OFF the lights according to the lux level during daytime. This resulted in saving of 6,500 kWh per year.
- Installation of new energy efficient Transformer of 2500 KVA against the replacement of old transformer of 1600 KVA resulted in saving of energy by 36,300 kWh per year.
- By Acquiring online energy consumption tracking and monitoring system resulted in reduction of energy consumption at various areas by implementing various themes (Saving at office areas during non-operational time, reduction in Air Washer frequency etc.). This resulted in saving of energy by 71,760 kWh.

The steps taken by the Company for utilizing alternate sources of energy.

Feasibility study of Solar Power Plant for 450 KW capacity is under progress. Installation of the power plant is scheduled in 2023.

The capital investment on energy conservation equipment.

Following capital investments were made for energy conservation equipment:

- 9.50 Lakh: Electrical upgradation of Press machine PDU 200-2003 (Estimated saving: 3,755 kWh/Year)
- 64 Lakh: Procurement of 1500 CFM Air compressor against old compressors (Estimated saving: 44,459 kWh/Year)
- 24 Lakh: Procurement of 1500 CFM Air dryer against old dryer (Estimated saving : 31,375 kWh/Year)

Forays into marine outboard business

Honda India Power Products announced its foray into the marine outboard business and aims to corner around 10 percent market share in the 4-stroke engine segment in the first three years. In April, the company introduced Honda 4-stroke marine outboard motors range for boat operators targeting various government agencies engaged in maritime security, coast guard, taxi boat services for passengers and tourists, and fishermen engaged in commercial fishing in the sea and inland river systems. These motors are priced between Rs 1.8 lakh for 6 hp and Rs 23 lakh for 250 hp.

The company thinks that the marine outboard industry in India is expected to grow up to Rs 1,400 crore in size going forward and HIPP is aiming to capture a 10 percent market share in the 4-stroke segment in the first three years. In terms of volume, the industry is at around 10,000 units a year. All three segments of the marine outboard business -- tourism and leisure, maritime security, and fishing -- are witnessing a major shift towards 4-stroke technologically advanced products from 2-stroke motors and HIPP is seeking to tap the opportunity.



Strengths Weakness Opportunities & Threats Analysis(SWOT)

Strengths:

Strong brand reputation: Honda Power is a subsidiary of Honda, a globally recognized brand with a strong reputation for quality and reliability.

Diversified product portfolio: Honda Power offers a diverse range of products, including generators, water pumps, lawn mowers, and other power equipment.

Strong distribution network: Honda Power has an extensive distribution network that spans across many different markets and regions, providing the company with broad market coverage.

Robust research and development capabilities: Honda Power invests heavily in research and development to improve the efficiency, performance, and environmental sustainability of its products.

Commitment to environmental responsibility: Honda Power is committed to reducing its environmental impact through its products, manufacturing processes, and supply chain.

Weaknesses:

Dependence on Honda Motor Company Ltd.: As a subsidiary of Honda, Honda Power is dependent on the financial stability and success of its parent company.

Relatively high prices: Honda Power's products tend to be priced at a premium compared to some of its competitors, which may limit its appeal to price-sensitive consumers.

Limited product differentiation: Some of Honda Power's products may be perceived as relatively similar to those of its competitors, which may limit the company's ability to differentiate itself in the market.

Opportunities:

Growing demand for power equipment: The demand for power equipment is expected to increase due to population growth, urbanization, and the need for backup power during natural disasters.

Expansion into new markets: Honda Power has the opportunity to expand into new markets and increase its market share, particularly in emerging markets.

Focus on sustainability: Honda Power can continue to differentiate itself from competitors by prioritizing environmental responsibility and sustainability.

Threats:

Intense competition: The power equipment industry is highly competitive, with many established players and new entrants vying for market share.

Economic uncertainty: Economic uncertainty and market volatility may impact consumer spending,

Quarter 3 Financial Highlights

Particulars	Q3 FY23	Q2 FY23	Q3 FY22	Q-O-Q	Y-O-Y
Net Revenue	338.85 Cr	394.08 Cr	337.51 Cr	(14.2%)	0.39%
PBT	42.91 Cr	56.91 Cr	31.18 Cr	(24.6%)	37.62%
PAT	31.95 Cr	42.42 Cr	23.24 Cr	(24.68%)	37.47%
EPS	31.50	41.82	22.91	(24.67%)	37.42%

Reported Standalone quarterly numbers for Honda India Power Products Limited are:

Net Sales at Rs 338.85 crore in December 2022 up 0.4% from Rs. 337.51 crore in December 2021.

Quarterly Net Profit at Rs. 31.95 crore in December 2022 up 37.48% from Rs. 23.24 crore in December 2021.

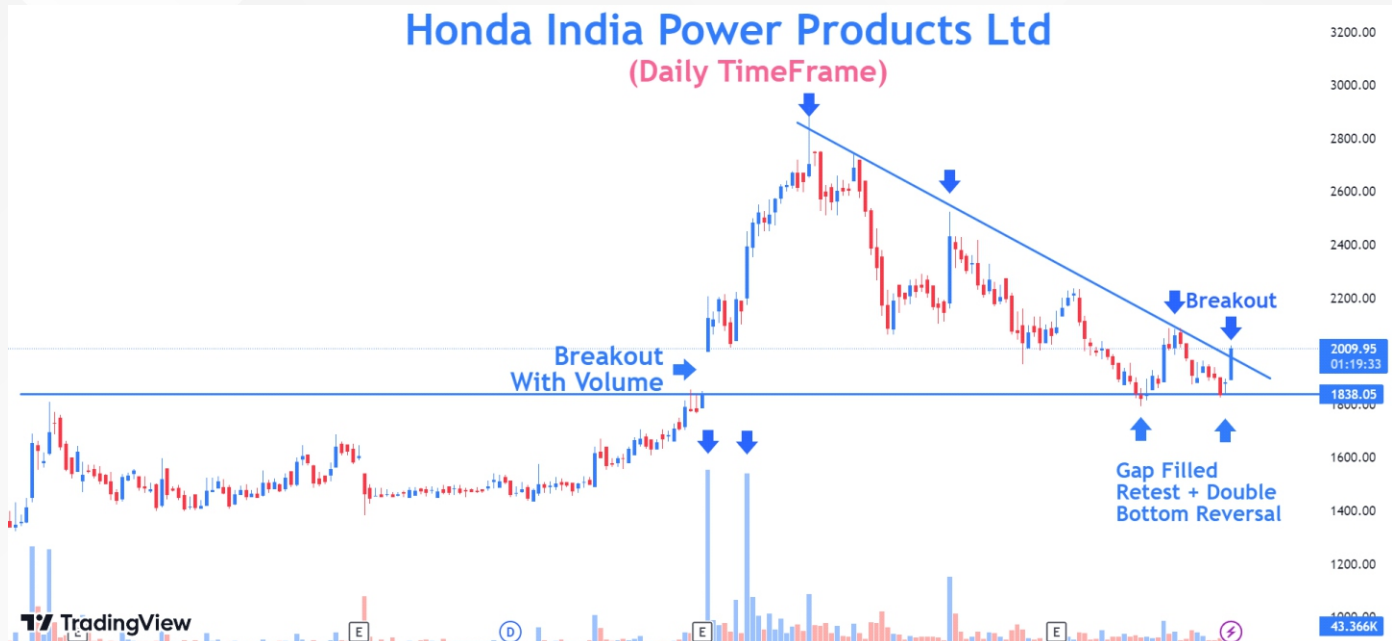
EBITDA stands at Rs. 47.88 crore in December 2022 up 33.52% from Rs. 35.86 crore in December 2021.

Honda India PP EPS has increased to Rs. 31.50 in December 2022 from Rs. 22.91 in December 2021.

Peer Comparison

Particulars	Honda Power	Crompton Greaves	Siemens	ABB
CMP (22-03-2023)	2006	292.75	3296.70	3331
Price/Earnings	21.46	36.62	66.94	69.91
Price/Book	1.87	9.64	8.50	11.51
Price/Sales	1.08	4.41	6.65	6.64
Enterprise Value	972.22	24,334.30	92,337.48	53,706.87
Market Cap/Sales	1.08	4.41	6.65	6.64
ROCE	14.96 %	30.60 %	14.21 %	20.86 %
ROE	11.12 %	24.16 %	13.20 %	20.57 %
ROA	8.65 %	11.14 %	7.84 %	10.90 %
Debt To Equity	0.00	0.63	0.00	0.00
Promoter Holding	66.67 %	0.00 %	75.00 %	75.00 %
FII Holding	1.53 %	39.54 %	6.74 %	7.55 %
DII Holding	13.30 %	44.76 %	8.79 %	9.73 %
Book Value	660.43	50.88	326.23	233.09
Dividend Yield	0.76	0.85	0.30	0.16

Technical Outlook



Honda India Power Products Ltd has given a Breakout and is now retested the breakout line and has formed a double bottom reversal. Also the stock managed to fill up the gap that was created in November. The stock has given a fresh breakout from the falling trendline which further confirms the reversal.

50 Days Moving Average > 200 Days Moving Average. This further indicates that improvement in the fundamentals is rewarded with the upward price movement which add rationale to the bullish momentum.

Honda India Power Product India Limited is trading at an RSI of 53.15

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	1905	1927
10	1927	1927
20	1923	1945
50	2004	2019
100	2181	2019.85
200	1844	1884

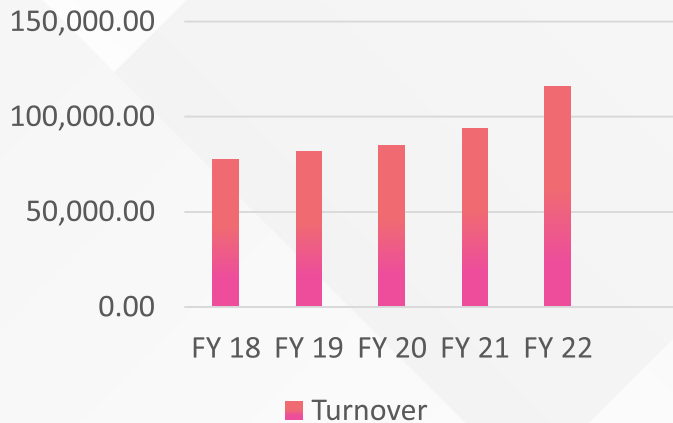
Pivot Levels : FIBONACCI

R1 2123	Pivot 1953	S1 1783
R2 2227		S2 1689
R3 2397		S3 1509

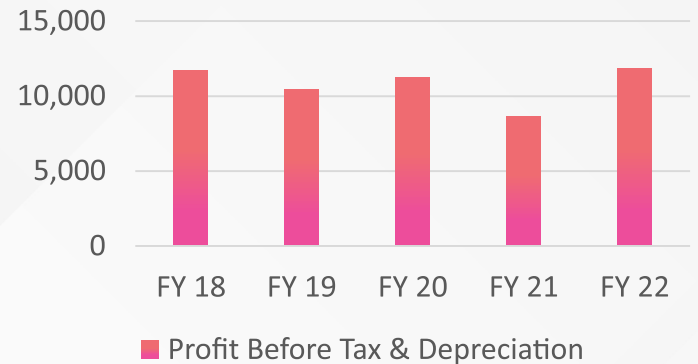
Financial Snapshot

Particulars	FY 22	FY 21	FY 20	FY 19	FY 18
Financial Position (₹In Cr)					
Equity Share Capital	10.14	10.14	10.14	10.14	10.14
Reserve & Surplus	659.74	595.37	559.47	506.96	464.31
Fixed Assets	99.35	93.76	99.50	97.99	101.67
Total Non Current Assets	237.63	192.03	158.95	162.82	173.01
Total Current Assets	623.82	598.94	556.35	492.66	423.53
Trade Payable	118.91	114.51	87.39	83.14	85.08
Other Current Liabilities	53.77	52.03	41.30	43.84	25.80
Short Term Provisions	17.03	16.87	15.44	10.88	9.72
Long Term Provisions	0.72	0.68	0.39	0.52	1.49
Other Liabilities	1.14	1.37	1.17	0	0
Contingent Liabilities	119.75	86.46	76.70	116.90	102.65
Operating Results (₹In Cr)					
Revenue from operations	1136.38	922.67	832.04	805.72	758.84
Other Income	16.84	14.53	15.76	17.66	15.47
Total Income	1173.13	953.47	864.40	833.54	783.27
Total Expenditure	1073.07	887.33	778.34	746.73	688.93
Earnings Before Interest & Tax (EBIT)	100.06	66.14	86.06	86.81	94.34
Tax	25.53	17.47	23.91	29.16	32.93
Profit/(Loss) After Tax	74.53	48.67	66.52	54.15	61.41
Ratios					
Book Value	660.63	597.15	561.75	509.96	467.90
Net profit margin (%)	6.44	5.18	7.83	6.63	7.99
Return on net worth (%)	11.12	8.03	11.67	10.47	12.94
Return on capital employed (%)	14.96	10.93	15.11	16.79	12.90
Return on asset (%)	8.65	6.15	9.29	8.26	10.29
Debt To Equity Ratio	0	0	0	0	0
EPS	73.48	47.99	65.58	53.39	60.54
Cash Flows					
Operating Activities	36.90	151.51	-17.62	20.59	55
Investing Activities	16.07	-92.49	47.24	-12.63	-65.38
Financing Activities	-11.29	-13.59	-13.11	-11.13	-9.40
Net Cash Flows	41.62	45.63	16.67	-3.20	19.88

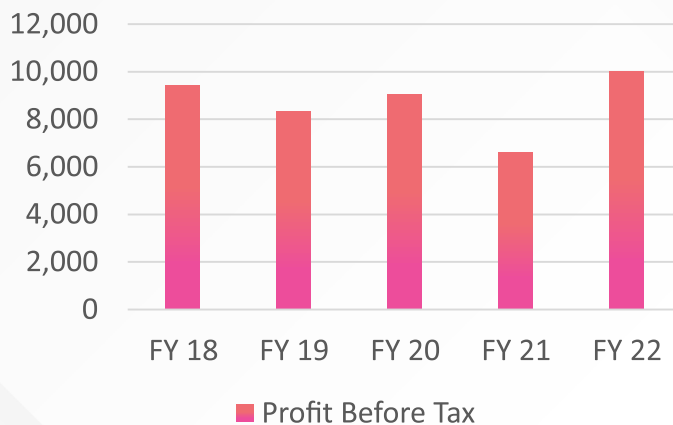
Operating Revenue (In Lakhs)



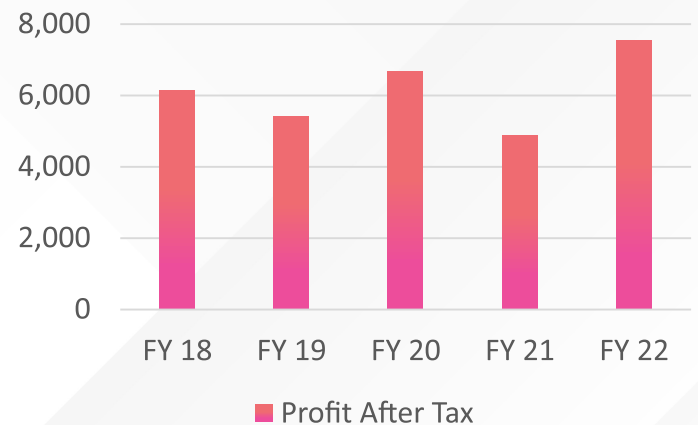
Profit Before Tax & Depreciation (In Lakhs)



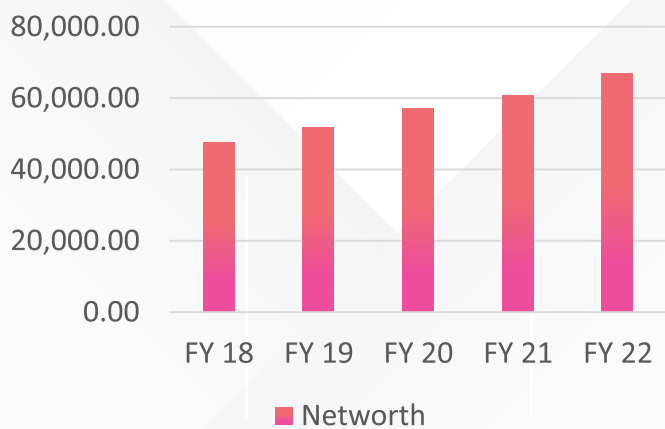
Profit Before Tax (In Lakhs)



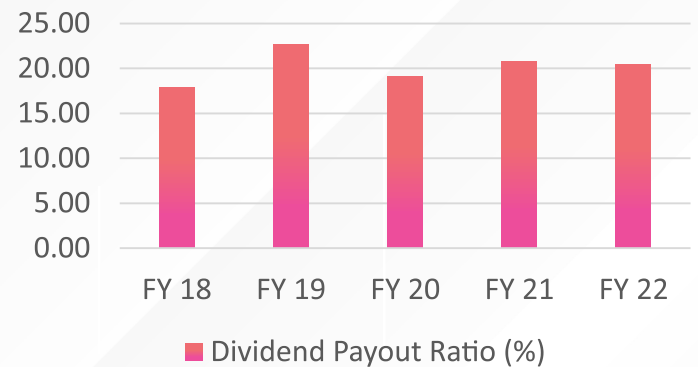
Profit After Tax (In Lakhs)



Networth (In Lakhs)



Dividend Payout Ratio inclusive DDT (%)



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