



IPO DETAILS

DENTA WATER AND INFRA SOLUTIONS LIMITED



 **ISSUE OPEN**

22 January, 2025

 **ISSUE CLOSE**

24 January, 2025

Min. Lot Size

50 shares

Issue Price Band

₹279 - ₹294

Issue Size

Fresh Issue:
0.75 cr Eq shares
(₹220.50 cr.)

OFS:
NIL Eq shares
(NIL)

Face Value

₹10

Industry

Water and Infrastructure
Solutions

Listing at

NSE, BSE

RATING

SUBSCRIBE

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Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.



DENTA WATER AND INFRA SOLUTIONS LIMITED

Rationale

Considering the FY24 annualized EPS of Rs. 18.13 on a post-issue basis, the company is going to list at a P/E of ~16x with a market cap of Rs. 784.98 cr, whereas its peers, namely VA Tech Wabag Ltd and EMS Limited, are trading at a P/E of ~37x and ~27x.

We assign "Subscribe" rating to this IPO as company has established expertise in water management projects with special focus on ground water recharging. Also, it is available at reasonable valuation as compared to its peer.

Objectives of the issue

To meet working capital requirements of Company

General Corporate Purposes

Company Overview

Denta Water and Infra Solutions Limited is a growing water and infrastructure solutions company engaged in designing, installing, and commissioning water management infrastructure projects with expertise in groundwater recharge projects.

The company also undertake construction projects in the field of railways and highways, has experience in water engineering and EPC services, specializes in infrastructure projects, including groundwater recharging through recycled water, addressing growing water solution demands.

As on November 30, 2024, Company has successfully covered 445.77 km of infrastructure for water management, pumping of secondary treated sewage water from adjoining cities of Bangalore, Mysore in the State of Karnataka

As on November 30, 2024, company has completed 32 projects related to water management infrastructure development and 17 ongoing projects constituting an aggregate contract value of ₹ 1,100.43 cr.

Company as on date owns various machineries such as Hydraulic Excavator - Kobelco PC 205, Hydraulic Excavator -Kobelco PC 130, CAT 424 Backhoe Loader STD IT, Bolero Neo N10R BS6 among others and other construction materials are generally outsourced by the Company as per the project requirement.



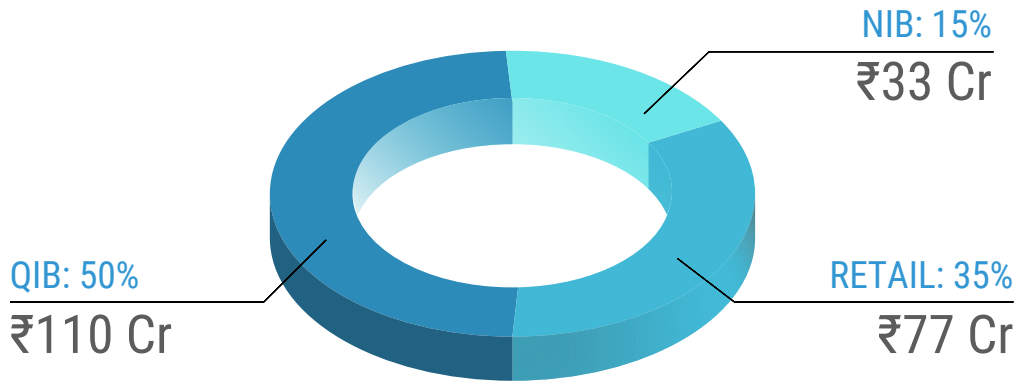
Trailblazers in Water Lift Solutions

Company's notable achievements encompass pivotal projects like the Byrapura and Hiremagaluru LIS Project, Karagada LIS Project, and others, primarily executed through lift irrigation systems.

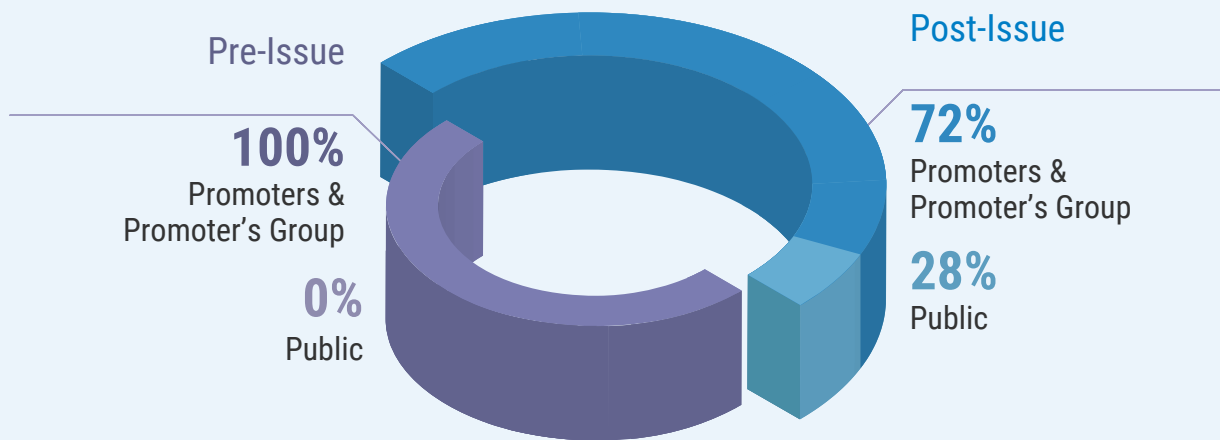


Issue Details

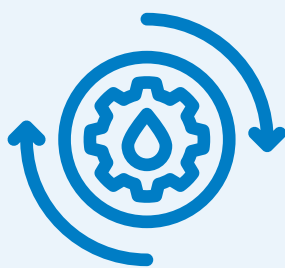
Issue Break-Up



Shareholding Pattern

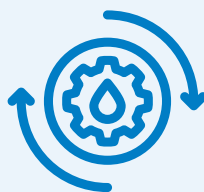


Capital Structure (in ₹ Cr.)



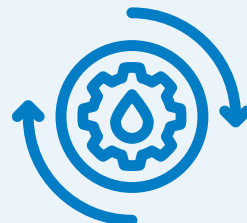
30 Cr

Authorised Equity Share Capital



19 Cr

Paid-Up Capital (Pre-Offer)



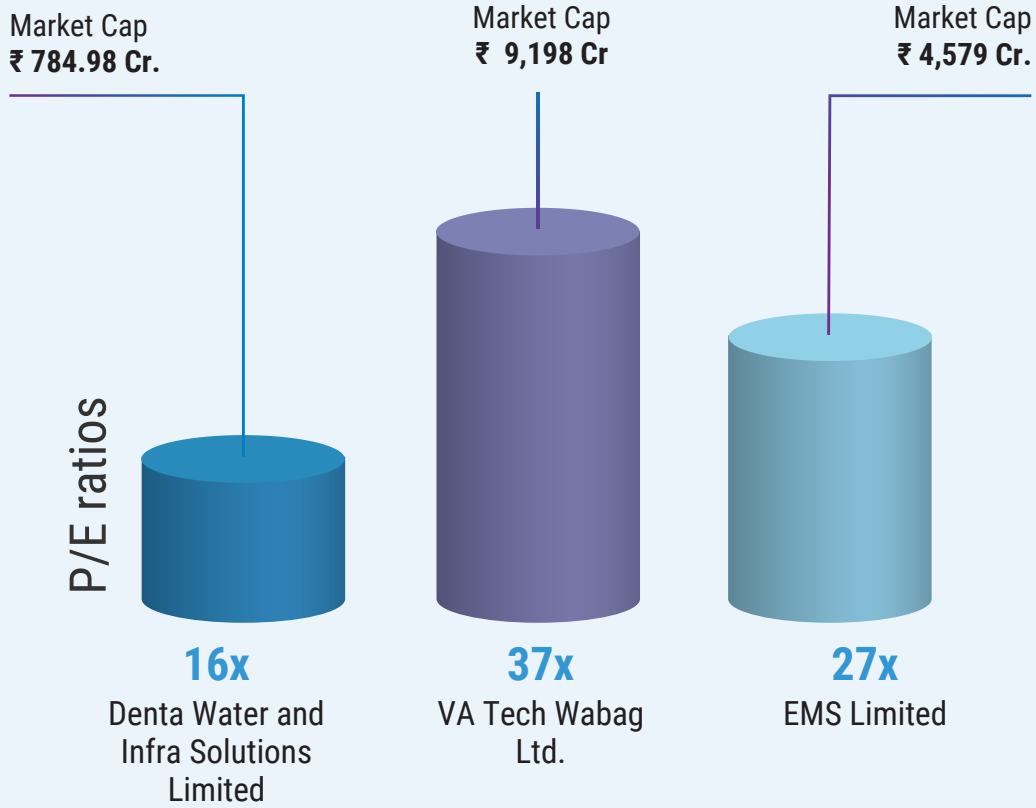
27 Cr

Paid-Up Capital (Post-Offer)



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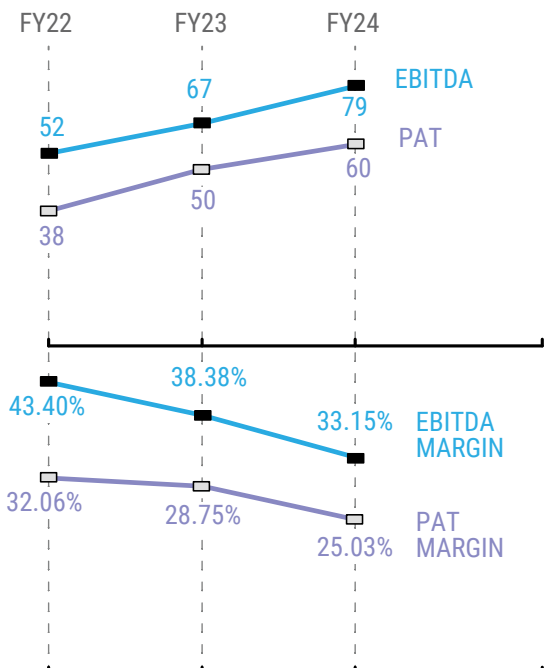
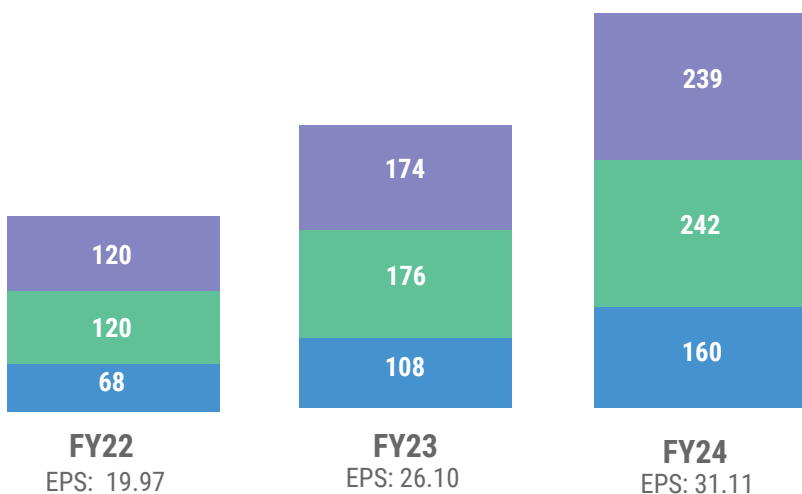
Valuations and Peer Comparison



Market Cap data of listed securities as on January 21, 2025

Financial Snapshot (in ₹ Cr.)

- Revenue
- Total Income
- Total Expenses





DENTA WATER AND INFRA SOLUTIONS LIMITED

Business Insights



Competitive Strengths

- Established expertise in water management projects with special focus on ground water recharging.
- In-house expertise in designing and engineering of water management infrastructure projects
- Strong Management Team
- Strong order book
- Established track record for project execution
- Efficient Business Model



Business Strategy

- Leverage core competencies in execution of water management projects
- Expanding geographical area of operations
- Pursue other segments within infrastructure development space
- Expansion into other geographies for reuse of discharge water



Risks

- Company relies heavily on the Government of Karnataka for its business. 83.98% of revenue from operations in six months period ended September 30, 2024, is from Government of Karnataka.
- Delays in completion of current and future projects and time overrun could have adverse effect on business prospects and results of operations.

Promoters and Management Details

Manish Shetty - Managing Director

Sujith TR - Whole-time Director

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