

Denta Water & Infra Solutions Ltd

IPO Note



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Precision in Water Management, Excellence in Infrastructure

Denta Water and Infra Solutions Limited, founded in 2016 and based in Bangalore, Karnataka, is a leading company in India's water infrastructure sector. The company specializes in the design, installation, and commissioning of water management projects, with a primary focus on groundwater recharge solutions. Denta addresses critical water scarcity challenges by implementing sustainable and environmentally friendly infrastructure, positioning itself as a key player in India's water conservation efforts.

The company has developed a strong reputation for its expertise in groundwater-related projects, which constitute the majority of its business. Its solutions are tailored to efficiently replenish groundwater resources using advanced technologies and recycled water.

As of November 30, 2024, the company has completed 32 water management projects and is actively managing 17 ongoing projects. These projects encompass a total contract value of approximately ₹1,100.44 crore, with ₹1,066.75 crore dedicated to water management and ₹33.68 crore allocated to infrastructure projects

Notable projects undertaken by Denta Water include the Byrapura and Hiremagaluru Lift Irrigation Scheme (LIS) Projects, the Karagada LIS Project, and significant contributions to the KC Valley project aimed at wastewater treatment in Bengaluru. The company has also been instrumental in advancing the government's Jal Jeevan Mission.

Denta's robust pipeline of projects demonstrates its ability to manage large-scale and complex infrastructure initiatives.

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (x)	EV/EBITDA (x)
FY22	119.6	51.8	38.3	43.3	32.1	14.4	20.4	70.4	126.6	20.5	14.9
FY23	174.3	67.0	50.1	38.4	28.7	18.8	39.2	47.9	96.0	15.7	11.2
FY24	238.6	79.2	59.7	33.2	25.0	22.4	61.5	36.4	77.0	13.1	9.1

Source: Ventura Research & Company update

Industry → Construction

Scrip Details

Listing	BSE & NSE
Open Date	Jan 22, 2025
Close Date	Jan 24, 2025
Price Band	INR 279 – 294
Face Value	INR 10
Market Lot	50 Shares
Minimum Lot	1

Issue Structure (%)

Issue Size (INR cr)	INR 220.5
Issue Size (Shares)	75,00,000
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	1.92
Post Issue sh. (cr)	2.67
Post Issue Market Cap (cr)	785

Shareholding (%)	Pre (%)	Post (%)
Promoter	100.00	71.91
Public	0.00	28.09
TOTAL	100	100

Issue Structure and Offer Details

Denta Water & Infra Solutions Ltd's IPO is a book built issue of INR 220.5 cr. The issue is entirely a fresh issue of 0.75 cr shares aggregating to INR 220.5 cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50% of the Net Issue
NII (HNI)	Not less than 15% of the Net Issue
Retail	Not less than 35% of the Net Issue

Number of shares based on a higher price band of INR 294

Source: Company Reports

Objects of the Issue :-

The Company proposes to utilize the Net Proceeds towards the following objects:

1. To meet working capital requirements of the company.
2. General corporate purposes, subject to the applicable laws

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
Income Statement				Per share data & Yields			
Revenue	119.6	174.3	238.6	Adjusted EPS (INR)	14.4	18.8	22.4
YoY Growth (%)	272.8	45.8	36.9	Adjusted Cash EPS (INR)	14.4	18.9	22.6
Raw Material Cost	46.2	59.1	61.8	Adjusted BVPS (INR)	20.4	39.2	61.5
RM Cost to Sales (%)	38.7	33.9	25.9	Adjusted CFO per share (INR)	(2.9)	19.3	10.1
Employee Cost	0.1	0.9	3.2	CFO Yield (%)	(1.0)	6.6	3.4
Employee Cost to Sales (%)	0.1	0.5	1.3	Adjusted FCF per share (INR)	(4.6)	13.8	10.0
Other Expenses	21.4	47.4	94.4	FCF Yield (%)	(1.6)	4.7	3.4
Other Exp to Sales (%)	17.9	27.2	39.6	Solvency Ratio (X)			
EBITDA	51.8	67.0	79.2	Total Debt to Equity	0.0	0.0	0.0
Margin (%)	43.3	38.4	33.2	Net Debt to Equity	(0.2)	(0.3)	(0.4)
YoY Growth (%)	252.8	29.2	18.3	Net Debt to EBITDA	(0.3)	(0.5)	(0.8)
Depreciation & Amortization	0.1	0.4	0.5	Return Ratios (%)			
EBIT	51.7	66.6	78.7	Return on Equity	70.4	47.9	36.4
Margin (%)	43.3	38.2	33.0	Return on Capital Employed	70.4	46.5	35.0
YoY Growth (%)	252.6	28.7	18.2	Return on Invested Capital	126.6	96.0	77.0
Other Income	0.1	1.4	3.2	Working Capital Ratios			
Bill discounting & other charges	0.0	0.1	0.6	Payable Days (Nos)	11	21	17
Fin Charges Coverage (X)	6,466.6	716.0	140.8	Inventory Days (Nos)	10	14	30
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	41	48	39
PBT	51.8	67.9	81.4	Net Working Capital Days (Nos)	40	41	52
Margin (%)	43.3	39.0	34.1	Net Working Capital to Sales (%)	11.1	11.2	14.1
YoY Growth (%)	253.6	31.1	19.8	Valuation (X)			
Tax Expense	13.5	17.8	21.7	P/E	20.5	15.7	13.1
Tax Rate (%)	26.0	26.2	26.6	P/BV	14.4	7.5	4.8
PAT	38.3	50.1	59.7	EV/EBITDA	14.9	11.2	9.1
Margin (%)	32.1	28.7	25.0	EV/Sales	6.5	4.3	3.0
YoY Growth (%)	245.3	30.7	19.2	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	51.8	67.9	81.4
Net Profit	38.3	50.1	59.7	Adjustments	(34.3)	7.6	(18.6)
Margin (%)	32.1	28.7	25.0	Change in Working Capital	(11.8)	(6.2)	(14.3)
YoY Growth (%)	245.3	30.7	19.2	Less: Tax Paid	(13.5)	(17.8)	(21.7)
Cash Flow from Operations	7.8	51.5	26.9	Cash Flow from Operations	(7.8)	51.5	26.9
Net Capital Expenditure	(4.5)	(14.6)	(0.7)	Net Capital Expenditure	(4.5)	(14.6)	(0.7)
Change in Investments	0.1	(14.9)	1.2	Change in Investments	0.1	(14.9)	1.2
Cash Flow from Investing	(4.5)	(29.6)	0.6	Cash Flow from Investing	(4.5)	(29.6)	0.6
Change in Borrowings	(0.0)	0.9	(0.3)	Change in Borrowings	(0.0)	0.9	(0.3)
Less: Finance Cost	(0.0)	(0.1)	(0.6)	Less: Finance Cost	(0.0)	(0.1)	(0.6)
Proceeds from Equity	0.0	0.0	0.0	Proceeds from Equity	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Dividend Paid	0.0	0.0	0.0	Dividend Paid	0.0	0.0	0.0
Cash flow from Financing	(0.0)	0.8	(0.8)	Cash flow from Financing	(0.0)	0.8	(0.8)
Net Cash Flow	(12.3)	22.7	26.6	Net Cash Flow	(12.3)	22.7	26.6
Forex Effect	0.0	0.0	0.0	Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	25.9	13.6	36.3	Opening Balance of Cash	25.9	13.6	36.3
Closing Balance of Cash	13.6	36.3	63.0	Closing Balance of Cash	13.6	36.3	63.0

Source: Company Reports

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