



IPO DETAILS

#IPOlogy

# DEE DEVELOPMENT ENGINEERS LIMITED



 **ISSUE OPEN**

19th June, 2024

 **ISSUE CLOSE**

21st June, 2024

Min. Lot Size  
**73 shares**

Issue Price Band  
**₹193 - ₹203**

### Issue Size

Fresh Issue:  
16.01 mn Eq shares  
(₹3,250.00 mn)  
OFS:  
4.58 mn Eq shares  
(₹930.15 mn)

### Face Value

₹10

### Industry

Process Piping Solutions

### Listing at

NSE, BSE

RATING

**Subscribe**

**OPEN ACCOUNT**

**APPLY NOW**

#### 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'.

[For Facts & Figures](#)



## DEE DEVELOPMENT ENGINEERS LIMITED

### Rationale

Considering the FY-23 / FY24-Annualized EPS of Rs 1.88/2.77 on a post-issue basis, the company is going to list at a P/E of 108.06x/73.33x with a market cap of Rs.14,017 mn, whereas its peer namely ISGEC Heavy Engineering Ltd is trading at a P/E of 37.8x.

We assign a "Subscribe" rating to this IPO as the company is a largest player in process piping solutions in India, in terms of installed capacity, providing specialized process piping solutions with strategically located state-of-the-art manufacturing facilities with significant barriers to entry. Also, it is available at a reasonable valuation considering the future growth potential of the company.

## Company Overview

DEE Development Engineers Ltd is an engineering company providing specialized process piping solutions for industries such as oil and gas, power (including nuclear), chemicals and other process industries through engineering, procurement and manufacturing.

Their company currently is ranked as one of the leading process pipe solution providers in the world, in terms of technical capability to address complex process piping requirement arising from multiple industrial segments. At present, they are the largest player in process piping solutions in India, in terms of installed capacity.

Their business operations are categorized under the following business divisions (i) Piping Division (87% of Revenue); (ii) Power Division (11% of Revenue); and (iii) Others (2% of Revenue).

Their products and engineering services have applications across a spectrum of industries such as (i) Oil and gas (53% of Revenue), (ii) Power (including nuclear), (25% of Revenue), (iii) Process industries and chemicals (11% of Revenue), (iv) Others (11% of Revenue).

As of December 31, 2023, they had an order book of ₹ 8,287.04 million.

They supplied their products to domestic customers and their overseas customers in countries including USA, Europe, Japan, Canada, Middle East, Nigeria, Vietnam, Singapore, China and Taiwan.

They have seven strategically located manufacturing facilities with three manufacturing facilities located at Palwal, Haryana and one manufacturing facility each in Anjar in Gujarat, Barmer in Rajasthan, Numaligarh in Assam and Bangkok in Thailand.



### Building Strong Global and Indian Customer Relationships

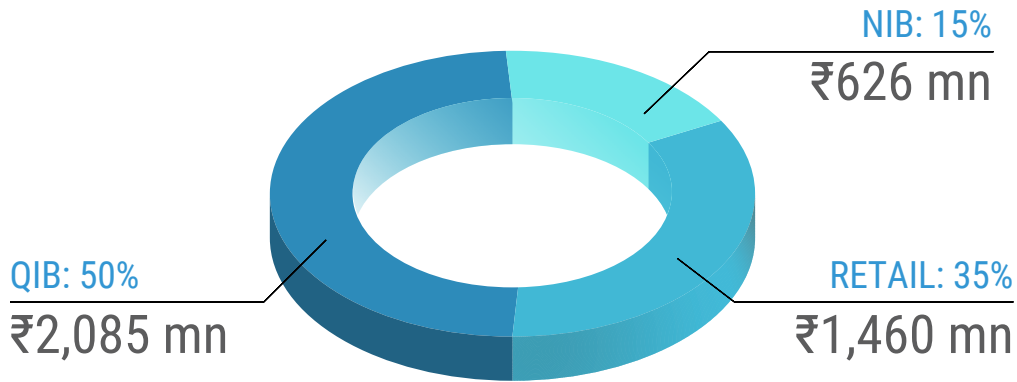
They have developed strong relationships with their customers, including global companies such as JGC Corporation, Mitsubishi Heavy Industries, and John Cockerill S.A, and Indian companies such as Reliance Industries Limited, HPCL-Mittal Energy Limited, Toshiba JSW Power Systems Private Limited.



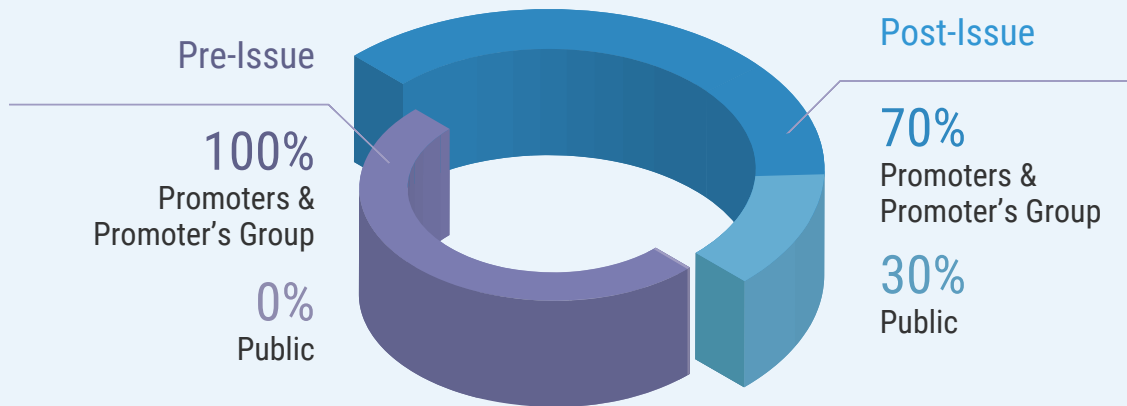
DEE DEVELOPMENT ENGINEERS LIMITED

# Issue Details

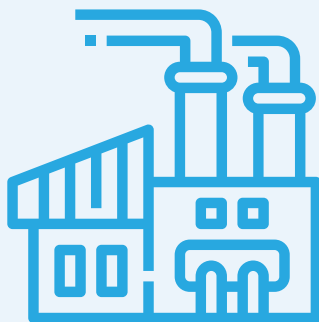
## Issue Break-Up



## Shareholding Pattern

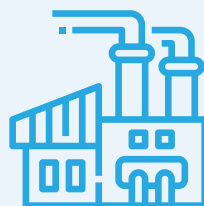


## Capital Structure (in ₹)



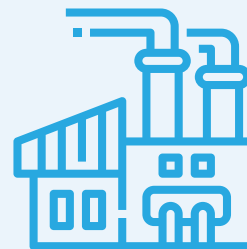
**788 mn**

Authorised Equity  
Share Capital



**530 mn**

Paid-Up Capital  
(Pre-Offer)



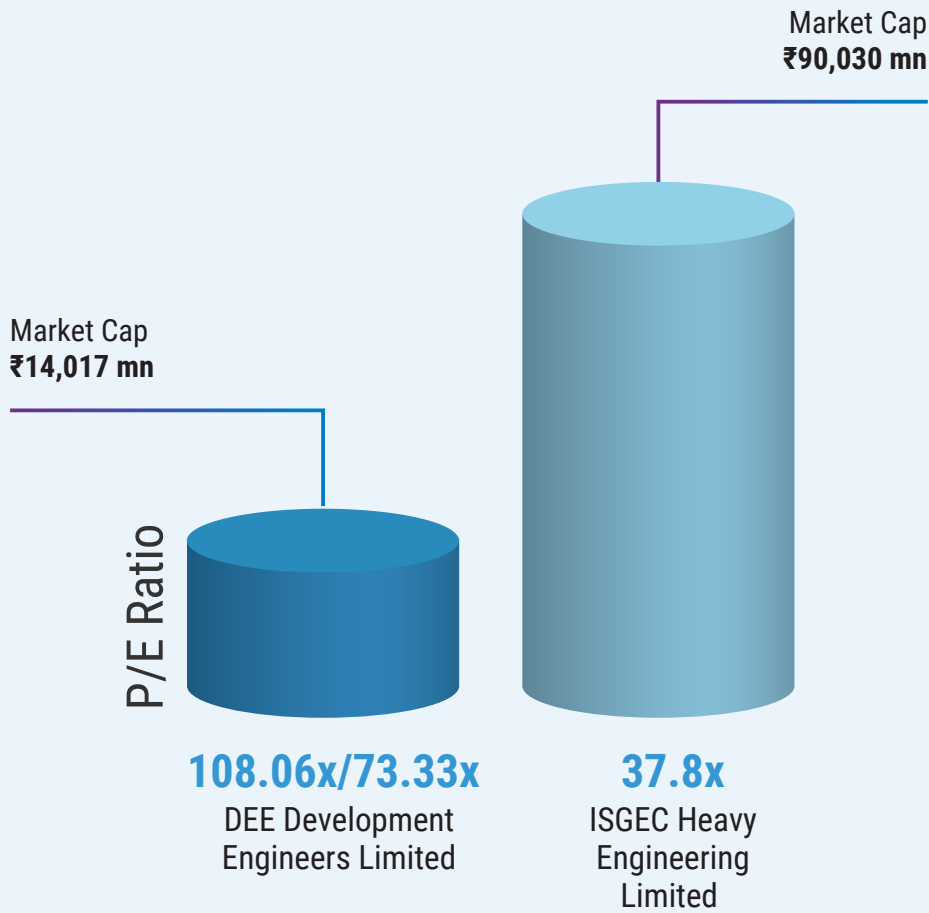
**690 mn**

Paid-Up Capital  
(Post-Offer)



## DEE DEVELOPMENT ENGINEERS LIMITED

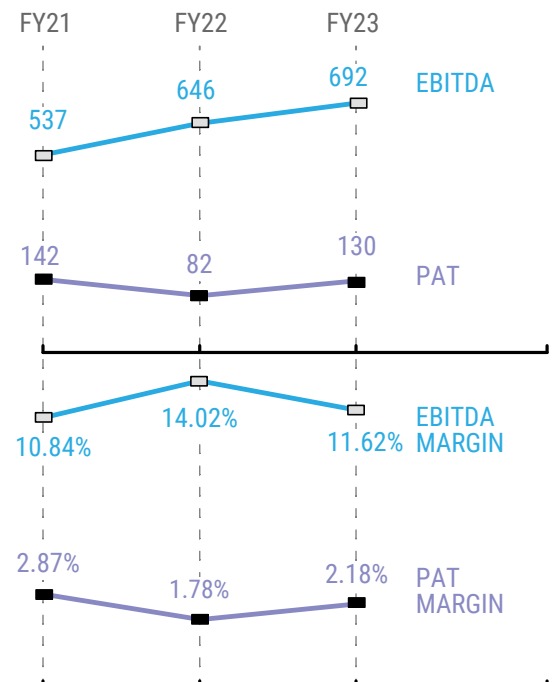
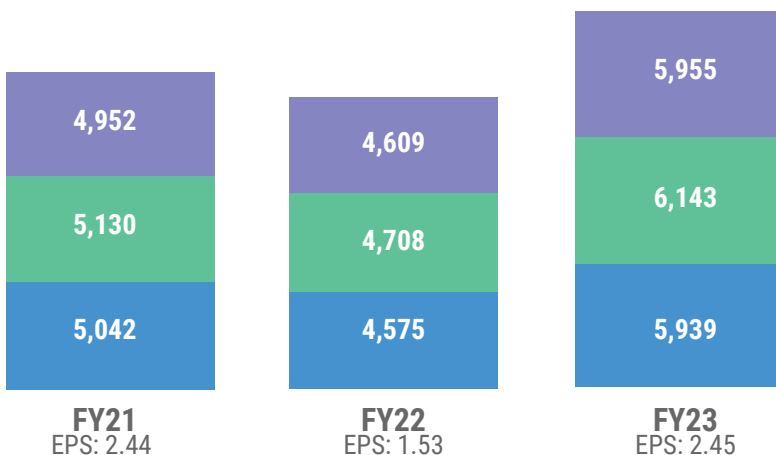
# Valuations and Peer Comparison



Market Cap data of listed securities as on June 13, 2024

## Financial Snapshot (in ₹ mn)

- Revenue
- Total Income
- Total Expenses





## DEE DEVELOPMENT ENGINEERS LIMITED

# Business Insights



### Competitive Strengths

- Leading player in an industry with significant barriers to entry.
- Largest player in process piping solutions in India, in terms of installed capacity, providing specialized process piping solutions with strategically located state-of-the-art manufacturing facilities.
- Long standing customer relationships with a strong order book.
- Wide range of specialized product offerings and services making them a comprehensive solution provider for their diversified customers spread across geographies and sectors.
- Strong focus on automation and process excellence with an experienced engineering team to drive operational efficiencies.
- Experienced and dedicated promoter and professional management team with extensive domain knowledge.



### Risks

- Any downturn in the oil and gas, power (including nuclear), process industries, and chemical sectors would create an adverse impact on their revenue from operations, cash flows, and financial conditions.
- They derive a significant part of their revenue from some customers, and they do not have long-term contracts with a majority of these customers. If one or more of such customers choose not to source their requirements from them or to terminate their contracts or purchase orders, their business, cash flows, financial condition, and results of operations may be adversely affected.
- Any underutilization of their manufacturing capacities could have an adverse effect on their business, future prospects, and future financial performance.



### Business Strategy

- Leverage their market-leading position in the industry to capitalize on the revival of capital expenditure cycle in the sectors which they service which will drive the next phase of their growth.
- Drive automation across their facilities and processes to bring in operational efficiencies.
- Forging technology tie-ups with select global OEMs to derive consistent order flow and making them a preferred partner.
- Increasing their focus on high-margin products with additional contributions from modular skids and usage of high-grade materials which offers a better margin contribution to profitability.
- Launch their pilot plant offerings in the near future.
- Focus on deleveraging and maintaining financial flexibility.

## Promoters and Management Details

Krishan Lalit Bansal - Chairman and Managing Director

Ashima Bansal - Whole-time Director

Shikha Bansal - Whole-time Director

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