



IPO NOTE

DEEPAK BUILDERS & ENGINEERS INDIA LIMITED



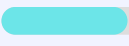

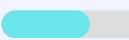
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ISSUE OFFER

Issue Opens on	OCT 21, 2024
Issue Close on	OCT 23, 2024
Total IPO size (cr)	₹260.04
Fresh issue (cr)	₹217.21
Offer For Sale (cr)	₹42.83
Price Band (INR)	192-203
Market Lot	73
Face Value (INR)	₹10
Listing At	NSE, BSE
Market Capitalization (cr)	945.59

ISSUE BREAK-UP (%)

QIB Portion		50%
NII Portion		15%
Retail Portion		35%

PROMOTER HOLDING %

Pre Issue	Post Issue
100%	72.50%

INDICATIVE TIMETABLE

Basis of Allotment	24-10-2024
Refunds/Unblocking ASBA Fund	25-10-2024
Credit of Share to Demat A/c	25-10-2024
Listing Date	28-10-2024

It is an integrated engineering and construction company, specializing in execution and construction of administrative & institutional buildings, hospitals and medical colleges, industrial building, historical memorial complex, stadium and sports complex, residential complex and various developmental and other construction activity

OBJECTS OF THE ISSUE

- Payment of borrowings.
- Funding of working capital requirements.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	35.88	35.88	35.88
Net Worth	160.10	100.54	84.71
ROCE %	41.72%	26.10%	27.26%
Revenue	603.42	507.34	416
Operating Profit Margin %	22.98%	12.20%	12.08%
Net Profit of the year	60.41	21.39	17.66

FINANCIAL RATIOS OF FY24



D/E



P/E



Asset Turnover

OUTLOOK & VALUATION

- Growing engineering and construction company in northern India.
- Consistent growth in revenue and profitability.
- Geographical concentration, high competition, and government dependence could be a risk.
- The issue is priced at a fair valuation.
- Investment recommendation: Consider long-term investors seeking exposure to the Indian construction sector, with careful due diligence.



COMPANY PROFILE

- It undertakes Construction & Infrastructure Projects both, as EPC services.
- The Company has twelve ongoing projects, including seven EPC projects and five item/percentage rate contracts.
- Its operations are accumulated in the northern part of India.
- It is accredited as a Class I – (Super) Contractor with the Central Public Work Department, Government of India.
- Its services include designing and detailed engineering of the project, procurement of construction materials, construction and execution of the project, and its operation and maintenance.



COMPETITIVE STRATEGIES

- Establish its position in Northern India and expand its footprint in other geographies.
- Constant expansion of its pre-qualification and bid capacities.
- Leverage core competencies with enhanced in-house integration.
- Further enhance its project execution capabilities.



KEY CONCERNS

- Dependent on projects awarded by government, semi-government, and government-controlled entities.
- The project portfolio has historically been concentrated in Punjab.
- Ongoing projects are exposed to various implementation risks and uncertainties.
- The construction industry has low entry barriers and high competition
- A significant portion of its revenues come from a limited number of clients.



KEY STRENGTHS

- Decent order book with a government client base.
- Continuous Focus on equipment ownership.
- Strong financial performance.
- Experienced Promoters and Strong Senior Management Expertise.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In CR.)	ROCE (%)
Deepak Builders & Engineers India Limited	16.84	39.37	12.06	603	41.72%
Peer Group					
IRCON International Limited	9.17	61.37	24.67	11,950	15.12%
Ahluwalia Contracts (India) Limited	56.06	239.17	19.25	3,855	27.91%
PSP Projects Limited	34.42	254.06	19.16	2,462	18.22%
ITD Cementation Limited	15.93	86.95	37.04	7,542	27.40%


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