



UDAYSHIVAKUMAR INFRA LIMITED

Issue highlights

- ❑ **Udayshivakumar Infra Limited** was incorporated on August 22, 2002. The company is engaged in the business of construction of roads including National Highways, State Highways, District Roads, Smart Roads under PM's Smart City Mission projects, Smart Roads under Municipal Corporations, Bruhat Bengaluru Mahanagara Palike (BBMP) and Local Area Roads in various Taluka Places etc., in the State of Karnataka, Constructions of Bridges across Major and Minor Rivers, Railway Over Bridges (ROB), construction of Major and Minor Irrigation and canal projects, Industrial Areas, based in the State of Karnataka. The company bids for Roads, Bridges, Irrigation & Canals, Industrial Area construction in the State of Karnataka including Government Departments.
- ❑ Since Fiscal 2015, the company has completed 30 projects having an aggregate contract value of ₹684.68 crore, which includes 16 roads, 5 bridges, 6 irrigation and 3 civil construction works.
- ❑ As on December 31, 2022, the company is executing 30 ongoing projects which include 10 roads, 7 smart roads, 1 bridge, 8 irrigation projects, 3 civil construction works and 1 toll plaza with an aggregate order book value of ₹ 853.88 crore.
- ❑ Further, as on December 31, 2022, they also have new work orders allotted (*but work not yet started*) comprising of 14 roads, 1 toll plaza and 1 irrigation works with an aggregate order book value of ₹ 436.51 crore. As on December 31, 2022 on an aggregate basis, they have 46 works orders in hand having aggregate order book value of ₹ 1,290.39 crore.
- ❑ As on December 31, 2022, their equipment base comprises of 111 construction equipments, 46 dumpers, 51 other construction vehicles, 7 Ready Mix Concrete (RMC) Plants (*out of which 1 is taken on lease*). Also, they have 1 stone quarry owned by M/s. Udayshivakumar Stone Crusher.

Brief Financial Details*

(₹ In Cr)

	As at Sep' 30,	As at Mar' 31,		
	2022(06)	2022(12)	2021(12)	2020(12)
Equity Share Capital	36.50	36.50	36.50	36.50
Reserves	41.84	31.82	19.68	10.37
Net worth as stated	78.34	68.32	56.18	46.87
Revenue from Operations	106.61	185.63	210.40	193.61
Revenue Growth (%)	-	(11.77)%	8.67%	-
EBITDA as stated	17.31	24.89	23.63	25.07
EBITDA Margin (%)	16.24%	13.41%	11.23%	12.95%
Profit Before Tax	13.22	16.01	12.32	14.19
Net Profit After Tax	10.02	12.15	9.32	10.49
Net Profit (%) as stated	9.40%	6.54%	4.43%	5.42%
EPS – Basic & Diluted (₹)	2.75 [^]	3.33	2.55	2.87
RONW (%)	12.79% [^]	17.78%	16.59%	22.38%
NAV (₹)	21.46	18.72	15.39	12.84
ROCE (%)	12.62%	20.71%	21.74%	23.91%
Net Debt/EBITDA	1.20	0.45	1.07	1.34

 Source: RHP *Restated Statement, [^]Not annualised

Issue Details

Fresh Issue of Equity shares aggregating upto ₹ 66 Cr

Issue size: ₹ 66 Cr
No. of shares: 18,857,142 Equity Shares
Face value: ₹ 10/-
Price band: ₹ 33 – 35
Bid Lot: 428 Shares and in multiple thereof

Post Issue Implied Market Cap =
₹ 186 – 194 Cr
BRLMs: Saffron Capital Advisors
Registrar: Mas Services Ltd.
Issue opens on: Monday, 20th Mar'2023
Issue closes on: Wednesday, 23rd Mar'2023

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	28-03-2023
Refunds/Unblocking ASBA Fund	29-03-2023
Credit of equity shares to DP A/c	31-03-2023
Trading commences	03-04-2023

Issue break-up

	No. of Shares		₹ In Cr	% of Issue
	@ Lower	@ upper		
QIB	2,000,000	1,885,715	6.60	10%
NIB	6,000,000	5,657,142	19.80	30%
-NIB 1	2,000,000	1,885,714	6.60	-
-NIB 2	4,000,000	3,771,428	13.20	-
RET	12,000,000	11,314,285	39.60	60%
Total	20,000,000	18,857,142	66.00	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre issue	Post issue [~]	Post issue [^]
36,500,000	56,500,000	55,357,143

[~]@ Lower price Band [^]@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoter	98.98%	65.26%
Promoters Group	1.02%	0.67%
Public	0.00%	34.07%
Total	100.00%	100.00%

OBJECTS OF THE ISSUE

The net proceeds of the Fresh Issue are proposed to be utilised as:

Objects	Amount (₹ Cr)
• Funding incremental working capital requirements of the company	45.00
• General Corporate Purposes	[•]
Total	[•]

BUSINESS OVERVIEW

Udayshivakumar Infra Limited is a ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 company engaged in the business of construction of roads including National Highways, State Highways, District Roads, Smart Roads under PM's Smart City Mission projects, Smart Roads under Municipal Corporations, Bruhat Bengaluru Mahanagara Palike (BBMP) and Local Area Roads in various Taluka Places etc., in the State of Karnataka, Constructions of Bridges across Major and Minor Rivers, Railway Over Bridges (ROB), construction of Major and Minor Irrigation and canal projects, Industrial Areas, based in the State of Karnataka. The company bids for Roads, Bridges, Irrigation & Canals, Industrial Area construction in the State of Karnataka including Government Departments.

Since Fiscal 2015, the company along with the erstwhile partnership firm, M/s. Udayshivakumar, have completed 30 projects having an aggregate contract value of ₹684.68 crore, which includes 16 roads, 5 bridges, 6 irrigation and 3 civil construction works.

As on December 31, 2022, the company is executing 30 ongoing projects which include 10 roads, 7 smart roads, 1 bridge, 8 irrigation projects, 3 civil construction works and 1 toll plaza with an aggregate order book value of ₹ 853.88 crore. Further, as on December 31, 2022, they also have new work orders allotted (*but work not yet started*) comprising of 14 roads, 1 toll plaza and 1 irrigation works with an aggregate order book value of ₹ 436.51 crore. As on December 31, 2022 on an aggregate basis, they have 46 works orders in hand having aggregate order book value of ₹ 1,290.39 crore.

In addition to independently undertaking projects, the company intends to enter into joint ventures with other infrastructure companies in their industry to jointly bid and execute larger projects.

They have already entered into joint venture vide agreement dated April 22, 2022 by way of a Joint Venture (JV) i.e. M/s Udayshivakumar Kotarki JV with 75% share in the JV held by the company and the balance 25% held by Kotarki Constructions Pvt. Ltd. The JV has been awarded a project by NHAI in the state of Karnataka on EPC mode. The contract value of the said project is approx. ₹171 crore. Such joint ventures will enable them to achieve prequalification with their joint venture partner at the time of the bid, both technical and financially.

The company has over the years developed an established road under BOQ and EPC business and have gradually added facilities to support and supplement their road and irrigation construction business. As part of their in-house integrated model, they have developed in house resources with key competencies to deliver a project from conceptualization to completion that includes their design and engineering team.

Over the years, they have acquired a fleet of modern construction machinery and equipment to support the construction of their projects. As on December 31, 2022, their equipment base comprises of 111 construction equipments, 46 dumpers, 51 other construction vehicles, 7 Ready Mix Concrete (RMC) Plants (*out of which 1 is taken on lease*). Also, they have 1 stone quarry owned by M/s. Udayshivakumar Stone Crusher. Their in-house integrated model reduces dependence on third party suppliers for key raw materials and services required in the development and construction of their projects. They have also set up a central procurement team that procures major materials and engineering items required for their projects. Their integrated business model facilitates execution of projects within scheduled timelines. As on December 31, 2022, they have 52 skilled and 120 on-site workers.

KEY STRENGTHS

- *Focused on Roads, Flyovers and Bridge construction*
- *Strong Order Book of roads, bridges, flyovers and irrigation projects from Karnataka state government*
- *Strong execution capabilities with industry experience*
- *Experienced management team*

KEY GROWTH STRATEGIES

- Maintain focus on Roads, Bridge and Irrigation projects construction
- Expansion of the geographical footprint
- Intend to enter into joint venture arrangements with other infrastructure companies to bid and execute large value projects
- Leverage core competencies with enhanced in-house integration
- Diversification of business activities

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2022)

Name of the Bank	Consolidated / Standalone	Face Value	Closing price on Feb'07, 2023	Revenue from Operations (₹ Cr)	EPS Basic & Diluted	NAV	P/E	RoNW (%)	PAT Margin (%)	Market Cap to Revenue from Operations
Udayshivakumar Infra Ltd	Standalone	10	NA	185.63	3.33	18.72	[•]	17.78%	6.54%	[•]
KNR Constructions Ltd	Consolidated	2	259.45	3,605.82	13.58	91.00	19.11	14.32%	10.16%	2.02
PNC Infratech Ltd	Consolidated	2	330.10	7,208.04	22.63	141.42	14.59	16.00%	8.05%	1.17
HG Infra Engineering Ltd	Consolidated	10	655.10	3,751.43	58.31	220.34	11.23	26.47%	10.13%	1.14
IRB Infrastructure Developers Ltd	Consolidated	10	279.75	5,803.70	8.69	208.07	32.19	2.88%	6.23%	2.91

Source: RHP; P/E Ratio has been computed based on the closing market price of equity shares on BSE on February 07, 2023

Comparison the Key Performance Indicators with the listed peers:

(₹ in Cr)

Key Performance Indicators	Udayshivakumar Infra	KNR Constructions	PNC Infratech	HG Infra Engineering	IRB Infrastructure Developers
Revenue From operations (₹ in Cr)	185.63	3,605.82	7,208.04	3,751.43	5,803.70
EBITDA (₹ in Cr)	24.89	855.02	1,623.46	717.42	3,123.03
EBITDA Margin (%)	13.41%	23.71%	22.52%	19.12%	53.81%
Profit after tax (₹ in Cr)	12.15	366.39	580.43	380.04	361.40
PAT Margin (%)	6.54%	10.16%	8.05%	10.13%	6.23%
Return on Equity (ROE) (%)	17.78%	14.32%	16.00%	26.47%	2.88%
ROCE (%)	20.71%	19.37%	16.42%	26.26%	88.00%
Net Debt/EBITDA	0.45	1.41	2.95	1.42%	4.79

AXIS CAPITAL LIMITED

Axis House, 1st Floor, Level-1, C-Wing, C-2, Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai 400 025.

Tel: +91 22 4325 2525; Fax: +91 22 4325 3000

www.axiscapital.co.in

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