



**Denta**  
Water Revitalizing Experts



## Denta Water and Infra Solutions Limited

Issue Opens - January 22, 2025 to January 24, 2025

**Price Band**  
**₹279 to ₹294**

**Face Value**  
₹10

**Issue Size**  
₹220.5 Cr

**Lot Size**  
50 Shares

**Listing At**  
NSE, BSE

**Issue Size**

**75,00,000 shares / ₹220.5 Cr**

**Fresh Issue**

**75,00,000 shares / ₹220.5 Cr**

**Offer for Sale**

**N/A**

**Basis of Allotment**

**Monday, January 27, 2025**

**Initiation of Refunds**

**Tuesday, January 28, 2025**

**Credit of Shares to Demat**

**Tuesday, January 28, 2025**

**"Denta Water" Listing Day**

**Wednesday, January 29, 2025**

# Objects of The Offer



The funds raised from the IPO will be allocated for:

- Funding incremental working capital requirements
- General corporate purposes.

## Brief profile of the Directors

- **Manish Shetty** is the Managing Director of the Company. He obtained bachelors' degree in engineering from Visvesvaraya Technological University, Belgaum, Karnataka in the year 2014. Prior to joining our Company, he was working as the head at Shri J N Shetty, Class-I Contractors(Firm).
- **Sujith T R** is the Whole-time Director and Chief Financial Officer of the Company. He holds bachelor's degree in medicine & surgery from Rajiv Gandhi University of Health Sciences Karnataka and master's degree in business administration from Annamalai University. He also holds post graduate degree of Doctor of Medicine in pharmacology from Dr. NTR University of Health Sciences and post graduate diploma in diabetology from Vinayak Mission University. In the past, he was associated with Johnson & Johnson Private Limited.
- **Nista U Shetty** is the Non-Executive director of the Company. She obtained bachelors' degree in architecture from Manipal Academy of Higher Education in the year 2018. She has experience in the field of wellness and hospitality.
- **Gopalakrishna Kumaraswamy** is the Independent Director of the Company. He obtained bachelors' degree in engineering from Bangalore University in the year 1986. He is an Indian army veteran and has experience in military services.
- **R. Narendra Babu** is the Independent Director of the Company. He holds bachelors' degree in engineering from Bangalore University. He has experience in the field of construction, groundwater recharging, lift irrigation and water management. Prior to joining our Company, he was working as Executive Engineer at the Minor Irrigation Division, Government of Karnataka.

# About The Company and Business Overview



Incorporated in 2016, Denta Water and Infra Solutions Limited specializes in designing, installing, and managing water infrastructure projects. The company focuses on groundwater recharge and other water management initiatives, contributing significantly to environmental sustainability. With 32 successfully executed projects, including the KC Valley and Byrapura projects, Denta Water has established itself as a reliable partner in infrastructure development.

The company also generates diversified income from its 98-acre coffee plantation and a beach resort in Karnataka.

## **Core Business Areas**

- Water Management Projects: The company specializes in groundwater recharge, wastewater treatment, and lift irrigation systems. It undertakes projects that aim to enhance water sustainability through innovative techniques for aquifer recharge.
- Infrastructure Development: Denta Water also engages in the construction of infrastructure related to railways and highways, expanding its service offerings beyond just water management.

## **Service Offerings**

- EPC Services: Denta Water provides Engineering, Procurement, and Construction (EPC) services, which encompass feasibility studies, project planning, design, execution, and maintenance of water management systems.
- Asset-Light Model: The company employs an asset-light business model by subcontracting various project components while maintaining an in-house team for core engineering and project management tasks. This approach helps minimize capital expenditure and operational risks.



## Segment - Wise Revenue

(₹ in million, unless stated otherwise)

Particulars	Six months period ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
<b>Billed Revenue</b>								
Water management	509.29		1,834.43	76.88%	1,488.28	85.37%	942.7	78.84%
Irrigation	0		0.54	0.02%	12.93	0.74%	44.36	3.71%
Roads	0		45.41	1.90%	23.93	1.37%	Nil	-
Operations and maintenance	0		3.36	0.14%	1.44	0.08%	Nil	-
Miscellaneous	6.46		77.83	3.26%	139.24	7.99%	196.39	16.42%
Railway Work	12.80		1.77	0.07%	-	-	-	-
<b>Total</b>	<b>528.55</b>		<b>1,963.34</b>		<b>1,665.82</b>		<b>1,183.45</b>	
<b>Unbilled Revenue</b>								
Water management	444.23		398.87	16.72%	75.35	4.32%	12.27	1.03%
Irrigation	-		-	-	-	-	-	-
Roads	14.63		9.83	0.41%	1.53	0.09%	-	-
Operations and maintenance	-		-	-	-	-	-	-
Miscellaneous	-		-	-	0.54	0.03%	-	-
Railway Work	(9.60)*		13.93	0.58%	-	-	-	-
<b>Total</b>	<b>449.25</b>		<b>422.63</b>	<b>17.71%</b>	<b>77.42</b>		<b>12.27</b>	
<b>Grand Total</b>	<b>977.80</b>		<b>2,385.98</b>		<b>1,743.24</b>		<b>1,195.72</b>	

## Customer Concentration

(in ₹ million)

Particulars	Six months period ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Top 1 customer	248.26	25.39	763.81	32.01	397.67	22.81	230.61	19.29
Top 5 customers	439.96	44.99	1,580.98	66.26	1,020.85	58.56	755.89	63.22
Top 10 customers	492.34	50.35	1,648.75	69.10	1,036.74	59.47	833.71	69.73

## Order Book

(₹ in million)

Sr.No	Project Segment	No of Projects	Contract Value*
1.	Road	1	58.50
2.	Water Management	11	10,667.52
3.	Railways	5	278.34
	<b>Total</b>		<b>11,004.36</b>

\*Amount excluding applicable taxes.

# Statement of Profit and Loss



(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	Six Months Ended September 30, 2024	For the Year Ended March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations	977.8	2,385.98	1,743.24	1,195.72
Other income	7.3	32.39	14.23	0.63
<b>Total income</b>	<b>985.1</b>	<b>2,418.37</b>	<b>1,757.47</b>	<b>1,196.35</b>
Expenses	603.08	1,519.78	1,045.02	668.84
Cost of material consumed	26.48	36.21	11.26	0.97
Employee benefits expense	1.05	5.07	0.93	0.85
Finance costs	2.58	4.85	3.71	0
Depreciation and amortization expense	20.57	38.61	17.36	7.8
Other expenses	653.78	1,604.53	1,078.28	678.47
<b>Total expenses</b>	<b>331.32</b>	<b>813.84</b>	<b>679.19</b>	<b>517.88</b>
<b>Profit/(Loss) before tax</b>	<b>89.47</b>	<b>215.64</b>	<b>177.64</b>	<b>134.49</b>
Tax expense:	-0.14	0.95	0.44	0.02
- Current tax	89.33	216.59	178.08	134.51
- Deferred tax	241.99	597.25	501.12	383.37
<b>Profit after Tax is attributable to owners of the company</b>	<b>0.1</b>	<b>0.23</b>	<b>0.06</b>	<b>0.01</b>
Other Comprehensive Income/(Loss)	-0.03	-0.06	-0.02	-0.01
Items that will not be Reclassified to Statement of Profit and Loss	0.08	0.17	0.04	0.01
Remeasurement of Defined Employee Benefit Plans	242.06	597.42	501.16	383.38
Tax impact of items that will not be reclassified to statement of profit and loss	12.6	31.11	26.1	19.97
Other Comprehensive Income/(Loss)	-0.03	-0.06	-0.02	-0.01
Items that will not be Reclassified to Statement of Profit and Loss	0.08	0.17	0.04	0.01
Remeasurement of Defined Employee Benefit Plans	242.06	597.42	501.16	383.38
Tax impact of items that will not be reclassified to statement of profit and loss	12.6	31.11	26.1	19.97
<b>Other total comprehensive income</b>				
<b>Basic and diluted</b>	<b>12.6</b>	<b>31.11</b>	<b>26.1</b>	<b>19.97</b>

# Strengths



- **Proven Expertise**: The company has completed 32 water management projects, demonstrating its capability in executing complex water infrastructure initiatives.
- **Robust Financial Performance**: Denta Water has shown consistent revenue growth, with a compound annual growth rate (CAGR) of 26.39% between FY2023 and FY2024, and profits increasing at 15.39% during the same period.
- **Strong Order Book**: As of November 30, 2024, the company has an order book of ₹1,100.44 crore, providing revenue visibility for the coming years.
- **Asset-Light Business Model**: By outsourcing non-core activities and focusing on design and project management, Denta Water maintains low capital requirements and achieves robust returns.
- **Alignment with Government Initiatives**: The company's projects align with government programs like the Jal Jeevan Mission, offering growth opportunities through public sector collaborations.

# Threats

- **Dependence on Government Contracts**: A significant portion of revenue comes from government projects, making the company susceptible to policy changes and funding delays.
- **Geographical Concentration**: Operations are primarily concentrated in Karnataka, which may limit market expansion and expose the company to regional risks.
- **Reliance on Subcontractors**: Heavy dependence on third-party contractors could impact quality control and project timelines.
- **Seasonal Agricultural Operations**: Diversification into agriculture introduces revenue fluctuations due to seasonal factors.
- **Intense Market Competition**: The water infrastructure sector is competitive, which could pressure profit margins and market share.

# Valuation and Outlook



**Denta Water and Infra Solutions Limited** IPO is expected to be priced between ₹279 to ₹294 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of 9.45x whereas the industry average is 32.94x

Company Name	Face Value per Equity Share	Revenue from Operations (₹ in Million)	Basic EPS for the year ended 2024	Diluted EPS for the year ended 2024	NAV per equity share for the year ended 2024	P/E	RoNW for the year ended 2024
Denta water	10	2385	31.11	31.11	85.55		36.36%
<i>Listing peers</i>							
VA TECH WABAG	2	28564	39.49	39.49	292.43	38.41	13.77%
EMS LIMITED	10	5382	29.38	29.38	143.73	27.47	19.13%

The company has demonstrated strong growth with a CAGR of over 25% in revenue and profits over the last three years. Its low debt-to-equity ratio is a positive indicator of financial stability.

Denta Water and Infra Solutions IPO offers a mix of strong fundamentals, growth potential, and industry relevance. However, the company must navigate challenges related to its dependence on government contracts, geographical concentration, and market competition to sustain its growth trajectory

**"Call us on 8448899576"** to find out whether or not you should apply.

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