

IPO NOTE

Issue Details

Price Band: ₹ 33 to ₹ 35
Issue Opens on: March 20, 2023
Issue Closes on: March 23, 2023
Lot Size: 428 Shares & in Multiples thereafter

Issue Highlights

Issue Size :	₹ 66.00 Cr.
No of Shares :	1,88,57,142
Face Value :	₹ 10

Offer Structure

Issuance	₹ in Cr.
Fresh Issue	66.00
Offer for Sale	-
Total	66.00

Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	10	6.60
HNI	30	19.80
Retail	60	39.60
Total	100	66.00

Listing

BSE & NSE

Lead Managers

- Saffron Capital Advisors

Registrar

MAS Services Ltd.

ANALYST

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COMPANY OVERVIEW

Udayshivakumar Infra Limited is engaged in 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. 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.

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.

HIGHLIGHTS

1. Focused on Roads, Flyovers and Bridge construction
2. Strong Order Book of roads, bridges, flyovers and irrigation projects from Karnataka state government.
3. Strong execution capabilities with industry experience.

OBJECTS OF THE ISSUE

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

1. Funding incremental working capital requirements of our Company (Rs. 45 Cr.); and
2. General corporate purposes.

OUR VIEW

Udayshivakumar Infra Limited is engaged in the business of construction of roads. It is an ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 company. The Company primarily operates in the state of Karnataka.

The Company being in the business of construction requires ready mix concrete, jelly, M-sand, etc., for executing the civil work awarded to the Company. In order to execute the work on time and to reduce the cost of procurement for the above items required for completion of a civil projects, the Company has set-up RMC plants at different locations as backward integration and also stock other construction materials like M-sand, jelly, iron and steel, cement, etc., required in construction of project. After captive consumption, the RMC are also sold to other small contractors, commercial and residential builders for their construction projects.

Profits of the company grew at CAGR 7.63% between FY20 to FY22. The Company's ROE and ROCE for six month ended September 30, 2022 are 12.79% and 12.62% respectively. At upper price band of ₹35, the issue is priced at P/BV of 1.87x at NAV of ₹35 as at March 22, 2022 and at P/E of 10.6x at EPS of ₹3.33 as at March 31, 2022. Industry average P/E is 19.2x. The post issue implied market cap of the company at upper price band is ₹ 194 crores.

Investors with surplus cash can subscribe to the IPO.

Brief Financials

PARTICULARS	₹ in LAKHS			
	As at Sept. 30, 2022	FY '22	FY '21	FY '20
Total Income	10,714.38	18,638.81	21,110.82	19,440.50
Total Expenditure	9,392.58	17,037.44	19,753.23	18,021.98
EBITDA	17.31	24.89	23.63	25.7
Profit before Tax	1,321.81	1,601.37	1,231.67	1,418.52
Profit after Tax	1,001.95	1,214.81	931.92	1,048.72
E.P.S.	2.75	3.33	2.55	2.87
P/E (x)	-	10.6	-	-
RONW (%)	12.79	17.78	16.59	22.38

*Not Annualized

PRICE CHART (@ ₹ 35) (Retail Category)

LOT SIZE	Amount
428	14,980
856	29,960
1,284	44,940
1,712	59,920
2,140	74,900
2,568	89,880
2,996	104,860
3,424	119,840
3,852	134,820
4,280	149,800
4,708	164,780
5,136	179,760
5,564	194,740

HNI Payment Chart

Category	Minimum Bid Lot Share	Minimum Bid Lot Amount(Rs.)
Between ₹ 2 to ₹ 10 Lakhs	5,992	209,720
Above ₹ 10 Lakhs	28,676	1,003,660

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	28/03/2023
Initiation of refunds/unblocking ASBA Fund	29/03/2023
Credit of Equity Shares to demat accounts of Allottees	31/03/2023
Commencement of trading of the Equity Shares on the Stock Exchanges	03/04/2023

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