

Issue Detail	
Type	100% Book Building
Issue Size	Rs. 650 Crore
Offer Price	*Rs (214 - 219 )/Equity Share
Min App Size	65 Shares
Issue Open	1-Aug-16
Issue Close	3-Aug-16
Shares Offer	2.986
Face Value	Rs 10
Lead Mgrs	Axis Capital Ltd, IIFL Holdings Ltd , JM Financial Consultants Pvt Ltd , PNB Investment Services Ltd
Listing	NSE,BSE
Registrar	Link Intima India Pvt. Ltd.
Market Cap (Post Issue)	2995.3

No of shares ( Post & Pre Issue)	
No of Shares (Pre Issue)	117,135,065
Offer for Sale	10,227,273
Fresh Issue made	19634703
No of Shares (Post Issue)	136769768

Bid allocation pattern	
QIB	50%
Non-Institutional	15%
Retail	35%

## Company Overview

Dilip Buildcon Ltd was incorporated in 2006 in Bhopal, MP based Engineering, Procurement and Construction (EPC) contractor focused on road projects in India. Company's core business is undertaking construction projects across India in the roads and irrigation sectors. Dilip Buildcon is specialize in constructing state and national highways, city roads, culverts and bridges. Company is expanded into the irrigation and urban development businesses.

Company completed the construction of 47 road projects in the states of Madhya Pradesh, Gujarat, Himachal Pradesh, Rajasthan and Maharashtra in India, with an aggregate length of approximately 5,611.94 lane kms, achieving a CAGR of 38.18% of revenue growth at ended March 31, 2016. Company currently undertake BOT projects. Company strategy and focus on providing EPC services, company may also evaluate opportunities to divest, either wholly or partially, operational BOT assets, thereby freeing up capital invested in these projects for re-deployment elsewhere.

## Company Strategies

> Company have efficient business model. Company carefully select projects, usually focus on EPC projects. Company strive to cluster projects geographically to improve efficiency and profitability. Company have owned modern construction plants and equipment, which meet most of the requirements for present projects.

> Company have excellent execution track record. Company's most of these projects completed on or ahead of their respective scheduled completion dates or completion dates rescheduled by our counterparties

> Company strategy is not focused solely on order book addition but, rather, on adding quality projects with potentially higher margins. Company has visible growth through a robust order book and excellent pre-qualification credentials. Company is able to pursue a broader range of project tenders and therefore maximize our business volume and contract profit margins

## Competitive Risks

> There are certain criminal proceedings pending against our Company, our Promoters and certain Directors which are pending at different levels of adjudication before various courts.

> Company usually need to provide performance guarantees when company undertake construction projects, which are often demanded by our clients to protect them against potential defaults by company

## Objects of the Issue:

Particulars
Prepayment or scheduled repayment of a portion of term loans availed by the company
To meet working capital requirements
General corporate purposes

## Recommendation

Dilip Buildcon Ltd is a large sized Engineering, Procurement and Construction (EPC) contractor focused on road projects in India. The company has strong order book of Rs 10000 Cr ( listed peer- IRB at Rs (9700 Cr) where EPC is 76%, BOT is 14% and Private is 9% of the total Order in Hand. The Company has RoE of 14% ( IRB :13%), Roce of 5% ( IRB: 4%).The Debt Equity ratio is little high at 3.2 ( IRB at b 2.9) but interest coverage ratio is high at 2 times ( IRB 1.8 times). The company has a P/b of 3 vis a vis 1.6 of IRB while the EV/EBDITA is mere 5.5 vis a vis 11 of IRB.

Due to its size the company will attract institutional interest. But for retail investors we recommend AVOID on account of corporate governance issues. There are certain criminal proceedings pending against the Company, Promoters and certain Directors at different levels of adjudication before various courts. Promoters' name have been in the news in the past in allegation for political connivance and wrong doings.

# Dilip Buildcon Ltd

## Financials

### Yearly Profit & Loss Account (Consolidated Figure)

Figure in Rs (Crore)

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Total Income	4,315	2,762	2,384	1,919	1,190
EBITDA	1,029	693	543	481	267
PAT	197	88	186	241	108
EBITDA Margin	24%	25%	23%	25%	22%
PAT Margin	5%	3%	8%	13%	9%
No of Shares	13.67	13.67	13.67	13.67	13.67
Post Issue Diluted EPS	28.77	6.41	13.58	17.65	7.91
Price	Rs 214 - 219				
P/E( At upper price band)	34.2				
P/E( At lower price band)	33.4				
EV/EBITDA( At upper price band), X	5.93				
EV/EBITDA( At lower price band), X	5.93				
ROE %	14%	10.9%	25.8%	45.1%	36.7%

### Balance Sheet

Figure in Rs (Crore)

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
<b>EQUITY AND LIABILITIES</b>					
Share capital	117	117	59	59	59
Reserves and surplus	884	688	660	476	236
<b>Shareholders' funds</b>	<b>1001</b>	<b>805</b>	<b>719</b>	<b>535</b>	<b>295</b>
Long-term borrowings	1767	1574	925	578	393
Short-term borrowings	1454	1376	816	457	153
<b>Total Borrowing</b>	<b>3221</b>	<b>2950</b>	<b>1741</b>	<b>1035</b>	<b>547</b>
Deferred tax liability (net)	101	75	36	15	14
Long-term provisions	17	9	7	4	1
Other Long Term Liabilities	221	214	192	129	51
<b>Non - current liabilities</b>	<b>339</b>	<b>299</b>	<b>234</b>	<b>148</b>	<b>66</b>
Trade payables	1023	828	467	249	65
Other current liabilities	795	704	385	374	402
Short-term provisions	7	6	23	54	30
<b>Current liabilities</b>	<b>1825</b>	<b>1538</b>	<b>874</b>	<b>677</b>	<b>497</b>
<b>TOTAL Liabilities</b>	<b>6387</b>	<b>5593</b>	<b>3568</b>	<b>2395</b>	<b>1405</b>
<b>Fixed assets</b>	<b>2773</b>	<b>2608</b>	<b>1773</b>	<b>1204</b>	<b>692</b>
Long-term loans and advances	208	191	51	37	46
Other non-current assets	81.25	119.41	44.90	32.56	47.15
<b>Non-current assets</b>	<b>2981</b>	<b>2799</b>	<b>1824</b>	<b>1242</b>	<b>738</b>
Inventory	1580	948	522	363	197
Trade receivables	1262	1263	1002	573	261
Cash and bank balances	116	267	73	55	96
Short-term loans and advances	366	197	103	130	66
<b>Current assets</b>	<b>3324</b>	<b>2675</b>	<b>1700</b>	<b>1121</b>	<b>620</b>
<b>Total</b>	<b>6305</b>	<b>5473</b>	<b>3523</b>	<b>2363</b>	<b>1358</b>