Savy Infra And Logistics Limited IPO

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Company Business

SAVY INFRA AND LOGISTICS LIMITED is primarily an **Engineering, Procurement and Construction (EPC) company**. Here are the key aspects of their business:

- **Core Focus :** The Company specializes in **earthwork and foundation preparation for infrastructure projects**. This includes services for:
  - Road construction.
  - Embankments
  - Sub-grade preparation.
  - Granular sub-bases.
  - Bituminous or concrete surfaces.
- **Integrated Solutions :** Savy offers integrated solutions across the **infrastructure, steel, and mining sectors.**
- **Specific Services within EPC and Logistics:**
  - **Earthwork and Excavation** : They handle soil and hard rock excavation, blasting, and the carting away and disposal of excavated materials. This also involves processes like shoring, strutting, side protection to prevent collapses, and slush removal.
  - Logistics : As part of their logistics segment, they offer **Full Truck Load (FTL) services** for transporting large volumes of freight, including excavated materials like soils and hard rock to dumping sites, or minerals like iron ore and coal, from one location to another. They ensure point-to-point delivery without intermediate stops.
- **Business Model & Strategy:**
  - The Company states it has an **asset-light business model,** utilizing hired transportation services through local and other truck owners based on project requirements. This approach helps minimize costs related to interest, depreciation, and asset ownership, improving profit margins.
  - They secure projects by working with large companies and are a preferred choice for subcontracting certain project parts.
- **Geographical Presence :** While they have a diversified geographical presence, their projects have historically been concentrated in the states of **Gujarat, Maharashtra, and Odisha**. Their current order book (as of April 30, 2025) reflects this concentration, with Maharashtra accounting for 66.23%, Gujarat for 16.03%, and Odisha for 66.23% of the total order book. Order book as on Apr 30th, 2025 is Rs. 230.56 Cr.

Short Summary of the Industry

The industry in which Savy Infra operates, particularly the **engineering and road construction sectors in India**, is characterized by significant growth and government support:

- Robust Road Network
- Government Initiatives and Spending
- Growth in Construction Equipment Sales
- National Highway Expansion
- Favorable Investment Environment

The industry is highly competitive, with organized and unorganized players competing on service quality and delivery. Savy Infra follows an asset-light model, using hired transport to reduce costs and boost margins.

IPO Details

- Total Issue Size : **58,32,000 shares (Rs. 69.98 Cr.)**
- Fresh issue : **58,32,000 shares (Rs. 69.98 Cr.)**
- OFS : **Nil**
- Issue Price Band : **₹114 to 120 per share**
- Lot Size : **1,200 shares**
- IPO Date : **July 21-23 2025**
- Pre IPO Promoters Holding : **85.87%**
- Post IPO Promoters Holding : **61.80%**

Objects of the issue

- Funding working capital requirements of the company : **Rs. 49 Cr.**
- General Corporate Purposes

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Revenue Bifurcation

- Segment Wise
  - EPC : **80.36%**
  - Logistics : **14.18%**
  - Other Services : **5.46%**
- On direct and sub-contracting basis
  - Direct : **73.90%**
  - Subcontracting : **73.97%**

Financials of the company

(Fig. in Cr)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	283.39	101.59	6.19
EBITDA	35.61	14.94	0.56
EBITDA Margin	12.57%	14.71%	9.16%
PAT	23.87	9.86	0.33
PAT Margins	8.43%	9.71%	5.45%
ROCE	36.69%	78.71%	15.11%
D/E Ratio	0.86	0.81	4.86
Operating Cash Flows	-17.51	-3.59	-0.36

Comparison with Peers

Companies	Revenue	EBTDA%	PAT%	D/E Ratio	ROCE	MCap .	P/E
Savy Infra And Logistics	283.39Cr.	12.57%	8.43%	0.86	36.69%	249.70 Cr.	10.46
AVP Infracon	271Cr.	20%	12.13%	1.13	26.20%	483 Cr.	14.60
Ganesh Infraworld	538 Cr.	10%	7.43%	0.21	37.90%	835 Cr.	21.50
Active Infrastructure	90 Cr.	26%	14.44%	0.50	15.50%	255 Cr.	26.90

Pros and Cons

Pros (Advantages & Strengths)

- **Asset-Light Business Model**
- **Strong and Growing Order Book**
- **Robust Financial Performance (Recent Growth)**
- **Favorable Industry Outlook (India Infrastructure)**

Cons (Challenges & Risks)

- **Customer and Revenue Segment Concentration**
- **Geographical Concentration**
- **Unregistered Logo :** The Company's **logo is not registered with the trademark authority,** posing a risk of infringement by others, which could adversely affect its business value.
- **Negative operating cash flows.**
- **Past Non-Compliances** : There have been **instances of incorrect filings** with the Registrar of Companies and an oversight in updating the main objects clause. This raises the risk of **penalties or fines** from regulatory authorities.
- **Competitive Market :** Savy operates in a highly competitive market with both organized and unorganized players.

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