



Globe Civil Projects Ltd.



IPO Note

Globe Civil Projects Limited

Recommendation: **NEUTRAL!**

Company Background –

- **Incorporation:** Globe Civil Projects limited was originally incorporated on May 22, 2002. The registered office is located at New Delhi.
- **Business Activity:** The company is engaged in the execution and construction of infrastructure projects comprising of Transport and Logistics projects, Social and Commercial projects and non-infrastructure projects comprising of commercial offices and housing.
- **Revenue Stream:** The company generates majority of its revenue undertaking projects of educational institutions and hospitals.
- **Human Resource:** The company had 666 permanent employees as of Dec 31, 2024.

Objects of the Issue –

- Funding working capital requirements of the Company
- Capital expenditure towards purchase of construction equipment/machineries
- General corporate purposes

Promoters Name –

Ved Prakash Khurana, Nipun Khurana and Vipul Khurana

Rationale for recommendation –

Globe Civil Projects Limited, established in 2002, has extensive industry experience. The management team, with relevant education and industry expertise, is satisfactory. The IPO is fairly priced with a post-issue P/E of 17.90. While the company experienced a dip in FY23 due to project delays, this should not be a major concern as profitability margins and return ratios have improved in FY24. With 13 ongoing projects and a strong order book of ₹669.10 Cr., the company is well-positioned for growth and has a presence across 11 states. However, the company's reliance on a single key project this year, combined with high uninsured assets, presents significant risks. Given the fragmented and competitive industry landscape, we have a **NEUTRAL** view on this IPO.

IPO Details

| | |
|-----------------------|--|
| Opening Date | Jun 24, 2025 |
| Closing Date | Jun 26, 2025 |
| Allotment Date | Jun 27, 2025 |
| Listing Date | Jul 01, 2025 |
| Stock Exchange | BSE, NSE |
| Lot Size | 211 Shares |
| Issue Price Per Share | ₹67 to ₹71 |
| Issue Size | 119.00 Cr. |
| Fresh Issue | 119.00 Cr. |
| Offer for Sale | - |
| Application Amt | ₹ 14,981 – ₹ 1,94,753 (211 to 2,743 shares) |

INDUSTRY – Infrastructure & Construction

Avg. PE ratio as per RHP – 19.96

| | KPIs (In Crores) | | | |
|------------|------------------|--------|--------|---------|
| KPI's | FY 22 | FY 23 | FY 24 | Dec-24 |
| Revenue | 285.71 | 233.35 | 332.16 | 254.66 |
| EBITDA | 22.91 | 20.80 | 44.65 | 39.30 |
| Net Profit | 5.20 | 4.85 | 15.38 | 17.79 |
| RoCE | 22.64% | 16.64% | 32.36% | 20.84%* |
| ROE | 9.05% | 7.77% | 19.80% | 10.54%* |
| P/E | 58.68 | 62.83 | 19.83 | 17.90* |

*Annualized

Promoter Share Holding Pattern

| | |
|-----------|------------|
| Pre-Issue | Post Issue |
| 88.14% | 63.41% |

Valuation Parameters

| Particulars | Pre-Issue | Post Issue* |
|-----------------|-----------|-------------|
| EPS | 11.83 | 15.00 |
| BVPS | 11,985.58 | 86.66 |
| P/E | 18.26 | 14.40 |
| P/BV | 0.02 | 2.49 |
| Mkt Cap (In Cr) | 430.65 | 575.54 |

*Annualized

Lead Managers –

Mefcom Capital Markets Limited

Registrar –

Kfin Technologies Limited

Business Overview –

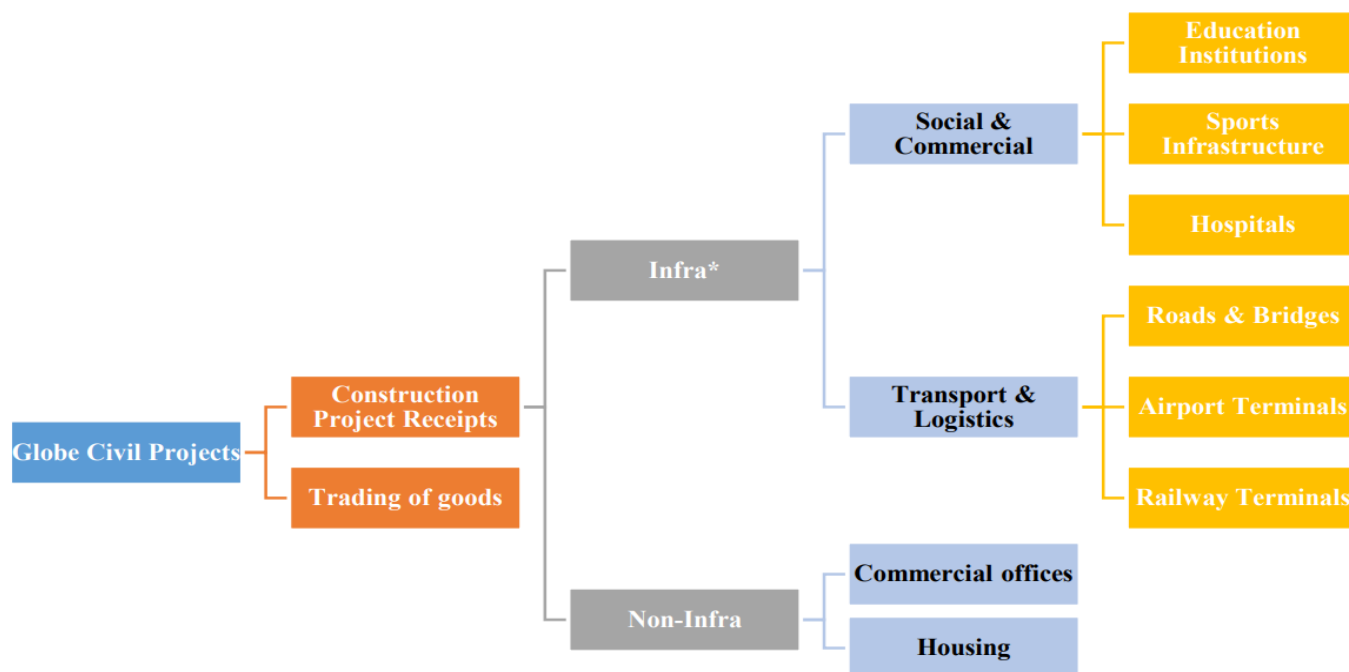
Globe Civil Projects Limited is an EPC company which undertakes execution and construction of infrastructure projects comprising of Transport and Logistics projects, Social and Commercial projects and non-infrastructure projects comprising of commercial offices and housing. The company has diversified in undertaking specialized infrastructure and non-infrastructure projects, such as railway bridges, airport terminal, elevated railway terminal and railway bridges and hospitals as well. Additionally, they also undertake trading of goods, particularly TMT steel. The company has completed 37 projects since 20 years.

The company is a Class I Super Contractor registered with CPWD a to tender for any work up to ₹650 Cr.

Order Book: The company has 13 ongoing projects (1 - office building, 5 - social & commercial, 3 – transport and logistics, 4 – residential) an order book of Rs. 669.10 Cr.

Clientele Base: NBCC, HLL Lifecare, Delhi Metro, HSCC, DPS School, AGA Khan Foundation, CPWD, PWD, Telecommunication India Limited, Airport Authority of India, Rail Land Development Authority, Ircon International, Unitech Noida etc.

Service Portfolio:



Service-Wise Revenue Bifurcation:

| Particulars | FY2022 | | FY2023 | | FY2024 | | Dec-24 | |
|---|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|--------------|
| | Amt | % | Amt | % | Amt | % | Amt | % |
| Infrastructure | | | | | | | | |
| Logistics & Transportation | | | | | | | | |
| Railway Terminals Infrastructure | - | - | 60.43 | 2.59% | 294.15 | 8.86% | 239.79 | 9.42% |
| Roads & Bridges | 915.81 | 32.05% | 447.08 | 19.16% | 155.06 | 4.67% | 0.66 | 0.03% |
| Social & Commercial Infrastructure | | | | | | | | |
| Education Institutions | 1,397.25 | 48.90% | 927.48 | 39.75% | 1,564.22 | 47.09% | 1,577.60 | 61.95% |
| Hospitals (Capital Stock) | 71.49 | 2.50% | 396.47 | 16.99% | 226.44 | 6.82% | 73.14 | 2.87% |
| Sports Infrastructure | - | - | - | - | 228.32 | 6.87% | 152.87 | 6.00% |
| Non-Infrastructure | | | | | | | | |
| Housing | 141.81 | 4.96% | 115.78 | 4.962% | 83.04 | 2.50% | 253.00 | 9.93% |
| Office and others | 9.80 | 0.34% | 38.03 | 1.63% | 381.43 | 11.48% | 169.67 | 6.66% |
| Other Trading | 320.92 | 11.23% | 348.18 | 14.92% | 388.95 | 11.71% | 79.84 | 3.14% |
| Total | 2,857.08 | 100% | 2,333.45 | 100% | 3,321.61 | 100% | 2,546.57 | 100% |

Competition -

1. **Market Competition:** The industry is highly competitive, and the key factors of competition are size, nature and complexity of the project and on the geographical region in which the project is to be executed.
2. **Geographic Competition:** The company faces competition from large domestic construction and infrastructure development companies.
3. **Barriers to entry:** Moderate barriers to entry.
4. **Threat of Substitutes:** Moderate threat of substitutes.
5. **Bargaining Power of Buyers:** The bargaining power is high with the customers.
6. **Bargaining Power of Suppliers:** The bargaining power is low with the suppliers.

Business Strategies -

1. The company aims to focus on government infrastructure projects (due to initiatives like NIP, NMP and Gati Shakti plan) specifically targeting educational institutions and hospitals buildings.
2. The company aims to expand its geographic presence by entering new states like West Bengal and Odisha.
3. The company intends to grow their ability to bid for and secure larger and more varied projects.
4. The company intends to establish strategic alliances and share risk with companies. As of Mar 31, 2025, the company has formed 6 joint ventures with clients.

Risk Factors -

1. The company submitted successful bids for 11 projects as of Dec-24 and secured only 1 project and the number of projects secured reduced from 6 to 1 in comparison to the previous year.
2. The company has high uninsured assets constituting 89.95%, 84.21%, 78.37% and 75.83% in FY22, FY23, FY24 and Dec-24 respectively.
3. The company is highly dependent on top 10 ongoing projects for their revenue constituting 99.13%, 92.82%, 89.54% and 98.33% for FY22, FY23, FY24 and Dec-24.
4. The company had negative cash flow from operations for FY23 and Dec-24.
5. The contingent liabilities as of Dec 31, 2024, is amounting to Rs. 23.05 Cr.
6. The company faces seasonal variations i.e., they are affected by extreme high temperatures during summer and monsoon months.
7. The company has 6 outstanding cases against it regarding criminal, tax and civil matters amounting to Rs. 17.09 Cr.
8. The promoters have 2 outstanding cases against them for civil matters amounting to Rs. 0.30 Cr.
9. The associate company, Southern Globe Hotels & Resorts Ltd., received an LOI from APCRDA to build a hotel in Amaravati, but the project remains stalled due to non-allotment of land and administrative changes, including the shift of capital to Visakhapatnam. The company has sought clarification from the new authority and may either proceed or withdraw with refund claims, while certain receivables and advances remain unconfirmed, yet the auditor did not qualify the opinion.

INDUSTRY OVERVIEW -

Infrastructure and Construction Industry in India

India's infrastructure sector is a key driver of economic growth and development. It encompasses various segments such as roads, bridges, railways, airports, urban development, and water supply. The civil construction sector, a major part of infrastructure, plays a critical role in project execution under government and PPP models. With growing urbanization, population expansion, and strong government focus, infrastructure continues to receive significant budgetary and policy support, enabling large-scale civil project rollouts across the country.

Market Size and CAGR:

The construction industry in India was valued at approximately **USD 701.7 billion in 2023** and is projected to grow to over **USD 1.42 trillion by 2032**. This makes it one of the largest sectors contributing to the Indian GDP, employing over **51 million people**, and accounting for more than **13% of capital formation**. India's construction sector is expected to grow at a **Compound Annual Growth Rate (CAGR) of 7.3% from 2023 to 2032**.

Government Initiatives:

- **PM Gati Shakti National Master Plan** – A ₹100 lakh crore initiative for multi-modal connectivity to economic zones.
- **National Infrastructure Pipeline (NIP)** – Covers 7,400+ projects with a planned investment of over ₹111 lakh crore by FY25.
- **Smart Cities Mission** – Focused on urban renewal and retrofitting for 100 smart cities.
- **AMRUT 2.0** – For universal coverage of water supply and sewerage services in urban India.
- **Budgetary Allocations** – The Union Budget 2023–24 allocated ₹10 lakh crore towards infrastructure development, marking a 33% YoY increase.

Since the company derives majority of its revenue from projects of educational institutions and hospitals, industry growth of these sectors is also essential.

Educational Institutions Infrastructure Sector:

India's educational infrastructure sector is undergoing rapid expansion, driven by increasing literacy rates, rising enrollment across primary to tertiary levels, and policy reforms aimed at improving access and quality. The sector includes the construction and expansion of schools, colleges, universities, and skill development centers across urban and rural regions. Demand for modern, tech-enabled campuses with sustainable infrastructure is growing, especially in Tier II and Tier III cities. The implementation of the **National Education Policy (NEP) 2020**, along with schemes like **PM SHRI Schools** and **Eklavya Model Residential Schools**, has significantly boosted government spending on institutional infrastructure. Private sector participation is also increasing, with many education groups investing in new campuses, hostels, and research blocks, making the sector a key contributor to civil construction demand in India.

Hospitals Infrastructure Industry:

India's healthcare infrastructure is expanding swiftly to bridge the gap between rising medical demand and existing facility shortages. The hospital construction segment has gained momentum with a focus on creating integrated, multi-specialty, and super-specialty medical institutions across both metropolitan and rural regions. This growth is supported by the **Ayushman Bharat Health Infrastructure Mission (PM-ABHIM)** and state-level health initiatives that promote construction of district hospitals, teaching hospitals, and emergency care centers. The COVID-19 pandemic further accelerated public and private investments in healthcare infrastructure, driving demand for ICUs, oxygen plants, and diagnostic labs. The sector is witnessing increased adoption of green building norms, modular construction, and smart hospital technology integration, positioning it as a resilient and future-ready segment within India's broader construction industry.

TMT Bar Industry in India:

The TMT bar industry in India forms a critical part of the nation's construction and infrastructure ecosystem, supplying the primary reinforcement material used in residential, commercial, and infrastructure projects. TMT bars are preferred for their superior strength, ductility, corrosion resistance, and seismic performance. The industry is highly fragmented, with both integrated steel producers and secondary steel manufacturers operating regionally. With increasing demand from real estate, metro rail, highways, and smart city projects, the Indian TMT bar market is expected to grow steadily at a CAGR of around 9–10% over the next five years. Government initiatives such as Housing for All, PM Awas Yojana, and Bharatmala are driving robust demand, while Bureau of Indian Standards (BIS) compliance and quality certification norms are tightening market participation criteria. The industry is also witnessing increased focus on branded TMT bars and value-added grades, particularly in Tier-II and Tier-III cities.

Key Management -

| | |
|--|--|
| Key Management Persons Name - | Ved Prakash Khurana |
| Age | 68 |
| Designation and No. of experience | Promoter, Whole-Time Director and Chairman, 30+ years of experience in the field of civil construction |
| Qualification | Intermediate from Madhya Pradesh Board |
| Other Directorships | Beas Institute of Competitive Examinations Private Limited and Southern Globe Hotels and Resorts Limited |

| | |
|--|--|
| Key Management Persons Name - | Nipun Khurana |
| Age | 41 |
| Designation and No. of experience | Promoter and Managing Director, 16+ years of experience in the field of civil construction |
| Qualification | Bachelor of Engineering (Civil Engineering) |
| Responsibility | Responsible for building and leading teams to deliver engineering projects, as per client specifications |
| Other Directorships | Vara Milk Foods Specialities Private Limited and KSIB GCPPL Joint Venture LLP |

| | |
|--|---|
| Key Management Persons Name - | Vipul Khurana |
| Age | 44 |
| Designation and No. of experience | Promoter and Managing Director, 20+ years of experience in the field of civil construction |
| Qualification | Bachelor of Science (Information Systems Engineering) |
| Responsibility | Leads the business development and project management functions of the Company |
| Other Directorships | Less Than Equals Three Services Private Limited and Southern Globe Hotels and Resorts Limited |

- The overall management of the company is satisfactory.
- **Dayal Sarup Sachdev, Nalini Shastri Vanjani, Radhakrishnan Nagarajan and Rajender Pal Chandel** are Independent Directors of the Company. They also have vast experience and education in their respective fields.
- **Raghav Aggarwal (CFO)**, aged 35 years, holds Bachelor of Commerce degree and is a qualified CA. He has 10+ years of experience.
- **Vineet Rattan (CS and Compliance Officer)**, aged 37 years, holds B. Com degree, BBA degree and Bachelor of Laws degree. He has 9+ years of experience.
- **Parveen Sachdeva (COO)**, aged 57 years, holds a Bachelor of Engineering (Civil Engineering) and MBA degree. He has 34 years of experience.
- **Vijay Kumar (HR Manager)**, aged 56 years, holds Diploma in Civil Engineering. He has 14 years of experience.

FINANCIAL SNAPSHOT

Statement of Profit and Loss (Consolidated)

Amt in Crores

| Particulars | FY 22 | FY 23 | FY 24 | Dec-24 |
|---|---------------|---------------|---------------|---------------|
| Revenue from Operations | 285.71 | 233.35 | 332.16 | 254.66 |
| Other Income | 1.08 | 1.82 | 2.65 | 2.08 |
| Total Income | 286.78 | 235.17 | 334.81 | 256.74 |
| Expenses | | | | |
| Cost of Material Consumed | 77.54 | 81.85 | 94.18 | 55.23 |
| Purchases of stock-in-trade | 31.88 | 34.62 | 38.15 | 7.81 |
| Change in Inventories of finished goods and WIP | -0.61 | -0.39 | -12.10 | -1.31 |
| Cost of Construction | 143.57 | 86.70 | 150.71 | 136.13 |
| Employee Benefit Expenses | 5.80 | 5.04 | 7.80 | 7.49 |
| Finance Cost | 13.72 | 12.69 | 22.48 | 15.35 |
| Depreciation and Amortization Expense | 3.25 | 3.20 | 3.84 | 2.78 |
| Other expenses | 4.62 | 4.73 | 8.78 | 10.02 |
| Total Expenses | 279.76 | 228.43 | 313.83 | 233.49 |
| EBITDA | 22.91 | 20.80 | 44.65 | 39.30 |
| EBITDA Margin | 8.02% | 8.91% | 13.44% | 15.43% |
| Share of Profit of associates | -0.001 | -0.004 | - | -0.002 |
| Profit/(Loss) before tax | 7.02 | 6.73 | 20.99 | 23.25 |
| Tax Expense | | | | |
| Current tax | 2.11 | 1.88 | 5.87 | 5.69 |
| Deferred Tax | -0.30 | 0.002 | -0.26 | -0.23 |
| Total Tax | 1.82 | 1.88 | 5.61 | 5.46 |
| Profit/(Loss) for the year | 5.20 | 4.85 | 15.38 | 17.79 |
| Net Profit Margin | 1.82% | 2.08% | 4.63% | 6.99% |

Statement of Assets and Liabilities (Consolidated)

Amt in Crores

| Particulars | FY 22 | FY 23 | FY 24 | Dec-24 |
|---|---------------|---------------|---------------|---------------|
| EQUITY AND LIABILITIES | | | | |
| 1. Shareholders' funds | | | | |
| Equity Share Capital | 2.48 | 2.48 | 2.48 | 42.96 |
| Other Equity | 54.98 | 59.97 | 75.19 | 56.87 |
| Total Equity | 57.45 | 62.44 | 77.67 | 99.83 |
| NON-CURRENT LIABILITIES | | | | |
| Financial Liabilities | | | | |
| (i) Borrowings | 14.59 | 12.93 | 12.11 | 8.61 |
| (ii) Lease Liabilities | - | 0.16 | - | - |
| (iii) Other financial liabilities | - | - | 0.39 | - |
| Provisions | 0.52 | 0.41 | 0.50 | 0.70 |
| Deferred tax liabilities | - | - | - | - |
| Other non-current liabilities | 14.28 | 29.82 | 35.47 | 32.11 |
| Total Non-current liabilities | 29.39 | 43.32 | 48.47 | 41.42 |
| 3. Current liabilities | | | | |
| Financial Liabilities | | | | |
| (i) Borrowings | 56.16 | 84.06 | 112.37 | 129.36 |
| (ii) Lease Liabilities | - | 0.23 | 0.16 | - |
| (iii) Trade Payables | | | | |
| (a) Total outstanding dues of MSME | 5.92 | 2.75 | 6.89 | 15.12 |
| (b) Total outstanding dues of creditors other than MSME | 28.31 | 39.55 | 28.79 | 38.62 |
| (iv) Other financial liabilities | 3.79 | 3.41 | 3.32 | 7.37 |
| Other Current Liabilities | 48.33 | 38.98 | 39.40 | 41.34 |
| Provisions | 0.43 | 0.28 | 0.76 | 1.55 |
| Total Current liabilities | 142.94 | 169.28 | 191.69 | 233.35 |
| Total Liabilities | 172.34 | 212.60 | 240.16 | 274.77 |
| Total Equity and Liabilities | 229.79 | 275.04 | 317.83 | 374.60 |
| ASSETS | | | | |

| Particulars | FY 22 | FY 23 | FY 24 | Dec-24 |
|------------------------------------|---------------|---------------|---------------|---------------|
| 1. Non-current assets | | | | |
| Property, Plant and Equipment | 18.97 | 19.59 | 27.62 | 25.79 |
| Investment Property | 1.05 | 1.00 | 0.95 | 0.91 |
| Other Intangible Assets | 0.01 | 0.001 | 0.0004 | 0.0004 |
| Right-to-use assets | - | 0.34 | 0.14 | - |
| Financial Assets | | | | |
| (i) Investments | 0.03 | 0.03 | 0.03 | 0.03 |
| (iii) Other financial assets | 4.88 | 14.26 | 3.04 | 12.29 |
| Deferred tax assets (net) | 0.97 | 0.92 | 1.24 | 1.49 |
| Other Non- current Assets | 0.17 | 0.22 | 0.19 | 0.17 |
| Total Non-Current assets | 26.08 | 36.36 | 33.20 | 40.68 |
| 2. Current assets | | | | |
| Inventories | 80.18 | 80.51 | 93.62 | 110.46 |
| Financial Assets | | | | |
| (ii) Trade Receivables | 36.79 | 68.05 | 97.00 | 141.34 |
| (iii) Cash & Cash equivalents | 0.20 | 0.30 | 0.20 | 0.26 |
| (iv) Bank balances other than cash | 1.68 | 0.31 | 8.33 | 5.03 |
| (vi) Other financials assets | 29.63 | 26.82 | 34.04 | 29.52 |
| Other Current Assets | 6.51 | 7.13 | 6.43 | 5.00 |
| Income tax assets | 48.72 | 55.56 | 45.01 | 42.31 |
| Total Current assets | 203.71 | 238.68 | 284.63 | 333.92 |
| Total Assets | 229.79 | 275.04 | 317.83 | 374.60 |

| Cash Flow Statement (Consolidated) | | | | Amt in Crores |
|---|-------|--------|--------|---------------|
| Particulars | FY 22 | FY 23 | FY 24 | Dec-24 |
| Net Cash Flow from Operating Activities | 7.41 | -11.22 | 4.20 | -3.30 |
| Net Cash Flow from Investing Activities | 0.18 | -3.45 | -11.31 | -0.38 |
| Net Cash Flow from Financing Activities | -9.55 | 14.77 | 7.01 | 3.73 |

Key Ratios

| Per Share Data | FY 22 | FY 23 | FY 24 | FY 25* | Valuation Ratios (x) | FY 22 | FY 23 | FY 24 | FY 25* |
|-------------------------|--------|--------|--------|--------|-------------------------|-------|-------|-------|--------|
| Diluted EPS | 1.21 | 1.13 | 3.58 | 3.97 | EV/EBITDA | 5.51 | 7.64 | 4.34 | 10.58 |
| BV per share | 232.14 | 252.30 | 313.83 | 37.63 | Market Cap / Sales | 0.06 | 0.075 | 0.053 | 1.25 |
| Operating Ratios | | | | | P/E | 58.68 | 62.83 | 19.83 | 17.90 |
| EBITDA Margins | 8.02% | 8.91% | 13.44% | 15.43% | Price to Book Value | 0.31 | 0.28 | 0.23 | 1.89 |
| PAT Margins | 1.82% | 2.08% | 4.63% | 6.99% | Solvency Ratios | | | | |
| Inventory days | 102.71 | 126.29 | 103.15 | 122.73 | Debt / Equity | 1.23 | 1.55 | 1.60 | 0.61 |
| Debtor days | 47.13 | 106.74 | 106.88 | 103.34 | Current Ratio | 1.43 | 1.41 | 1.48 | 1.48 |
| Creditor days | 109.64 | 132.64 | 97.95 | 132.07 | Quick Ratio | 0.86 | 0.93 | 1.00 | 1.00 |
| Return Ratios | | | | | Asset Turnover | 1.24 | 0.85 | 1.05 | 1.07 |
| RoCE | 22.64% | 16.64% | 32.36% | 20.84% | Interest Coverage Ratio | 1.43 | 1.39 | 1.82 | 2.38 |
| RoE | 9.05% | 7.77% | 19.80% | 10.54% | | | | | |

*Annualized

FINANCIAL ANALYSIS –

1. The top line has remained slightly inconsistent over the years. For FY2023 it decreased by 18.33% was mainly because of delay in commencement of project (Office building for Income Tax Department by CPWD, GoI, Executive Engineer and Superintending Engineer (Civil), Bangalore- I) amounting to ₹142.92 Cr. The company only generated Rs. 3.73 Cr whereas it anticipated a turnover of 50 Cr. For FY24, it increased by 42.35% which was majorly contributed by increase in construction project receipts and sale of trading goods. Some of the pre-COVID bids were completed and they secured 3 new projects as well.
2. The EBITDA and net profit also remained slightly inconsistent over the years and saw a slight dip in FY23 which was majorly due to dip in revenue.
3. The EBITDA and PAT margin increased over the years as the overall expenses (majorly cost of construction) in FY23 slightly reduced.

PEER ANALYSIS

| Particulars | Globe Civil Projects Limited | | | B L Kashyap and Sons Limited | | | Ceigall India Limited | | |
|---------------|------------------------------|--------|--------|------------------------------|--------|--------|-----------------------|--------|--------|
| | FY 22 | FY 23 | FY 24 | FY 22 | FY 23 | FY 24 | FY 22 | FY 23 | FY 24 |
| NP Margin | 1.82% | 2.08% | 4.63% | 3.67% | 1.96% | 4.18% | 10.98% | 8.01% | 9.98% |
| EBITDA Margin | 8.02% | 8.91% | 13.44% | 10.94% | 7.24% | 9.74% | 17.33% | 15.07% | 18.08% |
| RoCE | 22.64% | 16.64% | 32.36% | 18.22% | 12.24% | 17.17% | 29.84% | 28.67% | 31.98% |
| ROE | 9.05% | 7.77% | 19.80% | 10.39% | 4.98% | 10.58% | 29.19% | 28.20% | 33.78% |
| EPS (INR) | 1.21 | 1.13 | 3.58 | 1.95 | 0.98 | 2.33 | 8.01 | 10.64 | 19.48 |
| P/E | 58.68 | 62.83 | 19.83 | 13.62 | 31.63 | 29.44 | - | - | - |

| Particulars | PSP Projects Limited | | | Capacit'e Infraprojects Limited | | | Ahluwalia Contracts (India) Limited | | |
|---------------|----------------------|-------|-------|---------------------------------|--------|--------|-------------------------------------|--------|--------|
| | FY 22 | FY 23 | FY 24 | FY 22 | FY 23 | FY 24 | FY 22 | FY 23 | FY 24 |
| NP Margin | 9.4% | 6.7% | 4.9% | 3.53% | 5.27% | 6.12% | 5.70% | 6.76% | 9.17% |
| EBITDA Margin | 15.8% | 13.0% | 11.3% | 17.07% | 19.98% | 18.55% | 10.50% | 11.63% | 15.16% |
| RoCE | 35.2% | 25.6% | 23.0% | 9.66% | 15.90% | 14.56% | 21.65% | 21.40% | 27.90% |
| ROE | 24.3% | 16.5% | 13.4% | 4.95% | 8.88% | 7.93% | 14.99% | 15.79% | 23.43% |
| EPS (INR) | 46.29 | 36.65 | 34.16 | 7.03 | 14.04 | 15.77 | 23.17 | 28.96 | 55.96 |
| P/E | 11.65 | 18.31 | 20.14 | 15.58 | 8.47 | 16.60 | 18.50 | 19.91 | 18.25 |

LEAD MANAGER TRACK RECORD -

The lead manager to the issue is **Mefcom Capital Markets Limited**. This is their first mandate.

Recommendation -

Globe Civil Projects Limited has been in the industry since 2002 and has vast experience in the industry.

The management overview of the company is satisfactory with promoters and management having good experience in the industry with relevant education.

The P/E on a post-IPO annualized basis is 17.90 times which makes it fairly priced.

Financial Analysis: The top line saw a dip in FY23 which due to delay in commencement a project due to which the EBITDA and bottom line also saw a similar pattern which should not be a major concern. However, the profitability margins have increased over the years and look sustainable in the long run. The return ratios have also improved in FY24.

The company has 13 ongoing projects and has a strong order book of Rs. 669.10 Cr. They are a Class I Super contractor registered with CPWD and has a strong clientele base. They have their presence in 11 states and plan to expand further. They have successfully completed 37 projects since incorporation.

However, the company faces several risks (Refer Risk Factors), the most significant being its reliance on a single successfully secured project this year; failure to secure additional projects in the future may challenge its long-term sustainability. Also, their uninsured assets are very high.

Furthermore, the industry is also highly fragmented and competitive and there are many established players already.

Thus, we have a **NEUTRAL** opinion on this IPO. Investors can evaluate their risk appetite and make a decision.

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