

**ABOUT THE COMPANY:** Globe Civil Projects Limited is an integrated EPC firm based in New Delhi, with over two decades of experience and a presence in eleven Indian states. It is registered as a Class-1 Super Contractor with CPWD, Government of India, enabling it to bid on projects up to ₹650 crores.

**KEY BUSINESS INSIGHTS:** The company operates in the EPC space mainly focusing on government contracts, the company has increased its share of revenue from government contracts from 5.10% in FY 2022 to 86.69% in 9M FY 25. The Promoters Ved Khurana, Nipun Khurana, and Vipul Khurana have an average of more than two decades of experience in the same domain. Most of the revenue in the government contract space is concentrated at the end of financial year and hence around 35% of revenue is recognized in Q4 alone which is equivalent to revenue recognized in both Q1 and Q2 put together and the balance is recognized in Q3. The company has focused on securing contracts for the construction of educational institutes like AIIMS Raipur, NIT Narela, IIM Udaipur and IIT Gandhinagar for the parts of residential or academic blocks. Revenue from projects at central government educational institutes has spiked from 48.9 % in FY 2022 to 61.8% in 9M FY 2025.

## VIEW:

The company has demonstrated a steady financial growth with EBITDA margin increasing from 7.99% in FY 22 to 13.34% in FY 24, PAT margin has also grown from 1.82 % to 4.63%. The issue is fairly priced at about **20X PE** at upper band considering FY 24 financials with the average of competitors being the same, on the other hand **4X PB** which is slightly higher than competitors average at **3X PB**. Due to high dependency on government projects the working capital days of the company have stretched from 78 in FY 22 to 148 in 9M FY 25. Due to high dependency on government projects, we give a **NEUTRAL** rating, investors with a long-term investment horizon can consider the opportunity based on individual analysis.



### ISSUE DETAILS

Price Band (in ₹ per share)	67.00-71.00
Issue size (in ₹ Crore)	119.00
Fresh Issue (in ₹ Crore)	119.00
Offer for Sale (in ₹ Crore)	NA
Issue Open Date	24.06.2025
Issue Close Date	26.06.2025
Tentative Date of Allotment	27.06.2025
Tentative Date of Listing	01.07.2025
Total Number of Shares (in lakhs)	167.61
Face Value (in ₹)	10.00
Exchanges to be Listed on	BSE & NSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	211	14,981
Retail (Max)	13	2743	1,94,753
S-HNI (Min)	14	2954	2,09,734
S-HNI (Max)	66	13926	9,88,746
B-HNI (Min)	67	14137	10,03,727

**BRLMs:** Mefcom Capital Markets Limited

**PROMOTERS:** Ved Khurana, Nipun Khurana, and Vipul Khurana

### BRIEF FINANCIALS

PARTICULARS (Rs. Cr) *	9MFY25	FY24	FY23	FY22
Share Capital***	42.95***	2.47	2.47	2.47
Net Worth	99.82	77.66	62.44	57.45
Total Income	256.74	334.81	235.17	286.78
EBITDA	39.30	44.65	20.79	22.91
EBITDA Margin (%)	15.43	13.44	8.91	8.02
Profit/(Loss) After Tax	17.79	15.38	4.85	5.20
EPS (in Rs.)	5.52^	3.58	1.13	1.21
Net Asset Value (in Rs.)	23.24	18.10	14.55	13.39
Total borrowings	137.97	124.48	96.99	70.75
P/E <sup>#</sup>	12.86	19.83	NA	NA
P/B <sup>#</sup>	3.06	3.92	NA	NA

\*Restated consolidated financials; # Calculated at Upper Price Band (71), ^ annualized \*\*\*In July 2024, Preferential allotment to PE funds and Family Trusts and Bonus issue of 16: 1

## OBJECTS OF THE OFFER

The company proposes to utilise the Net Proceeds towards funding the following objects:

- ◆ Funding the working capital requirements of the Company. (75 Crores)
- ◆ Capital expenditure towards purchase of construction equipments/ machineries. (14.26 Cr)
- ◆ General corporate purposes.

## FINANCIAL STATEMENTS

### Profit & Loss Statement

Particulars (In Crores)	FY2022	FY2023	FY2024
<b>INCOME</b>			
Revenue from operations	285.71	233.35	332.16
Other Income	1.08	1.82	2.65
<b>Total Income</b>	<b>286.78</b>	<b>235.17</b>	<b>334.81</b>
YoY Growth (%)	-	-18.00%	42.37%
Cost of Materials Consumed	77.54	81.85	94.18
Purchase of Stock in Trade	31.88	34.62	38.15
Changes in inventories of finished goods, stock-in-trade & work-in-progress	-0.61	-0.39	-12.10
Cost of Construction	143.57	86.70	150.71
Cost of Construction-% of Revenue	50.06%	36.87%	45.01%
Employee Benefit Expenses	5.80	5.04	7.80
Other Expenses	4.62	4.73	8.78
<b>EBIDTA</b>	<b>22.91</b>	<b>20.80</b>	<b>44.65</b>
EBIDTA Margin (%)	7.99%	8.84%	13.34%
Depreciation and amortisation expense	3.25	3.20	3.84
<b>EBIT</b>	<b>19.66</b>	<b>17.60</b>	<b>40.82</b>
EBIT Margin (%)	6.86%	7.48%	12.19%
Finance cost	13.72	12.69	22.48
<b>Profit before tax</b>	<b>7.02</b>	<b>6.73</b>	<b>20.99</b>
Share of JV	0.00	0.00	-
<b>Tax expenses</b>			
Current tax	2.11	1.88	5.87
Deferred Tax	-0.30	0.00	-0.26
<b>Total tax expenses</b>	<b>1.82</b>	<b>1.88</b>	<b>5.61</b>
<b>Profit for the year</b>	<b>5.20</b>	<b>4.85</b>	<b>15.38</b>
PAT Margin (%)	1.82%	2.08%	4.63%
<b>Earnings per share</b>			
Basic earnings per share (₹)	1.21	1.13	3.58

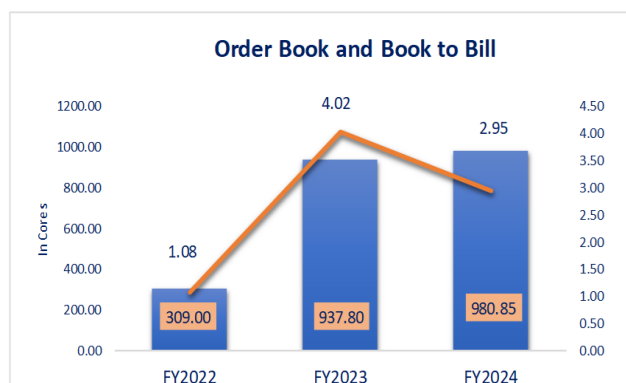
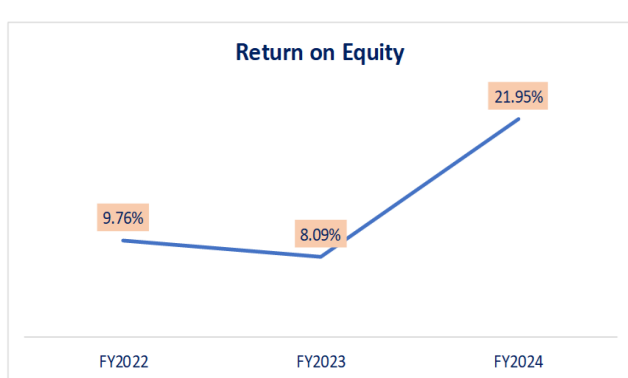
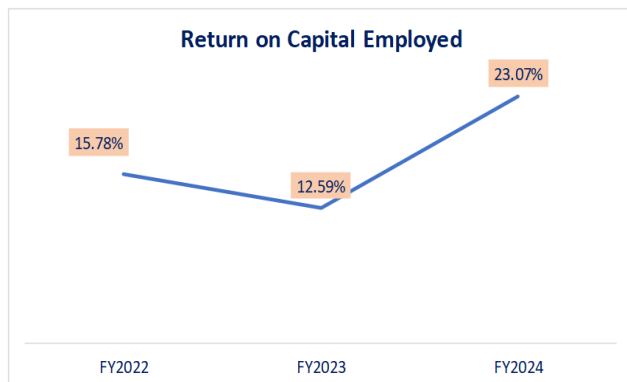
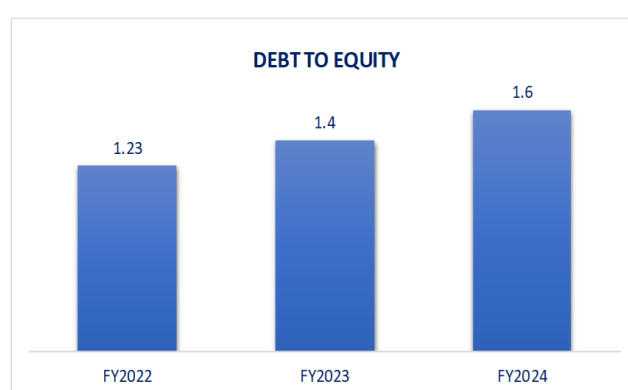
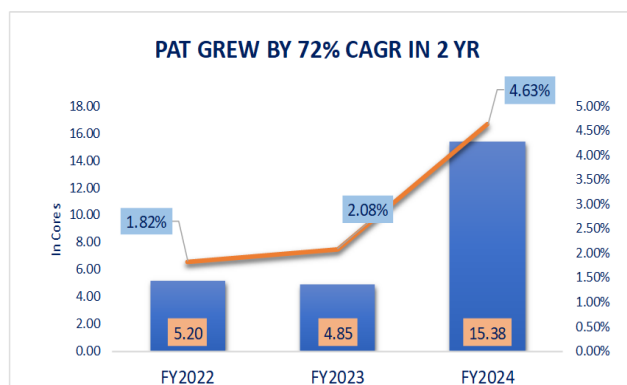
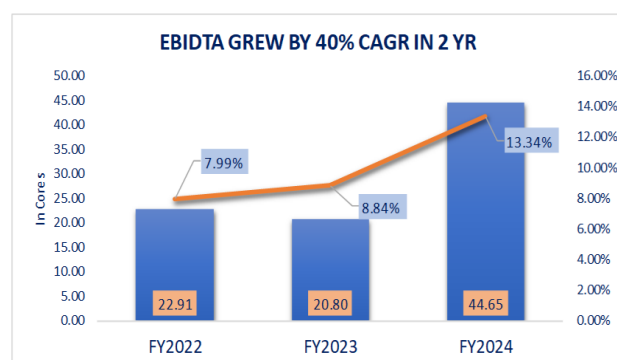
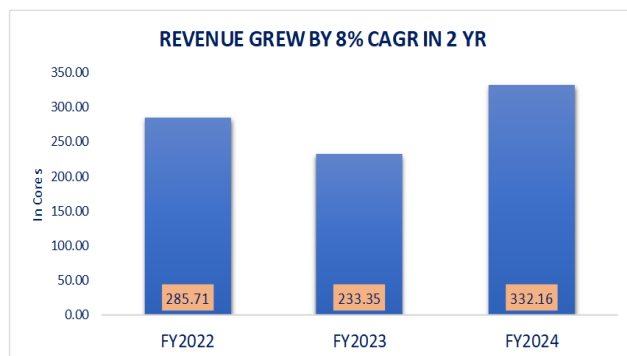
### Cashflow Statement

Particulars (In Crores)	FY2022	FY2023	FY2024
Cash generated from operating activities	9.23	-9.34	9.81
Income tax paid (net of refunds)	-1.82	-1.88	-5.61
Net cash generated from operating activities	7.41	-11.22	4.20
Net cash used in investing activities	0.18	-3.45	-11.31
Net cash used in financing activities	-9.55	14.77	7.01
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-1.96</b>	<b>0.09</b>	<b>-0.09</b>
Balance as at beginning	2.16	0.20	0.30
<b>Cash and cash equivalent as at year end</b>	<b>0.20</b>	<b>0.30</b>	<b>0.20</b>

### Balance Sheet

Particulars (In Crores)	FY2022	FY2023	FY2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	18.97	19.59	27.62
Investment Property	1.05	1.00	0.95
Other intangible assets	0.01	0.01	0.00
Right of use assets	-	0.34	0.14
<b>Financial assets</b>			
(i) Investments	0.03	0.03	0.03
(ii) Other financial assets	4.88	14.26	3.04
Deferred tax assets (net)	0.97	0.92	1.24
Other non-current assets	0.17	0.22	0.19
<b>Total non-current assets</b>	<b>26.08</b>	<b>36.37</b>	<b>33.20</b>
<b>Current Asset</b>			
Inventories	80.18	80.51	93.62
<b>Financial assets</b>			
(i) Trade receivables	36.79	68.05	97.00
(ii) Cash and cash equivalents	0.20	0.30	0.20
(iii) Bank Balance Other than ii	1.68	0.31	8.33
(iv) Other financial assets	29.63	26.82	34.04
Income Tax Assets (Net)	6.51	7.13	6.43
Other current assets	48.72	55.56	45.01
<b>Total current Asset</b>	<b>203.71</b>	<b>238.68</b>	<b>284.63</b>
<b>Total assets</b>	<b>229.79</b>	<b>275.04</b>	<b>317.83</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share Capital	2.48	2.48	2.48
<b>Other Equity</b>	<b>54.98</b>	<b>59.97</b>	<b>75.19</b>
<b>Total equity</b>	<b>57.45</b>	<b>62.44</b>	<b>77.67</b>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	14.59	12.93	12.11
(ii) Lease liabilities	-	0.16	-
(iii) Other Financial Liabilities	-	-	0.39
Provisions	0.52	0.41	0.50
Other Non Current liabilities	14.28	29.82	35.47
<b>Total Non-Current liabilities</b>	<b>29.39</b>	<b>43.32</b>	<b>48.47</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	56.16	84.06	112.37
(ii) Lease liabilities	-	0.23	0.16
(iii) Trade payables			
Due to MSME	5.92	2.75	6.89
Due to other than MSME	28.31	39.55	28.79
(iv) Other financial liabilities	3.79	3.41	3.32
Other current liabilities	48.33	38.98	39.40
Provisions	0.43	0.28	0.76
<b>Total Current liabilities</b>	<b>142.94</b>	<b>169.28</b>	<b>191.69</b>
<b>Total liabilities</b>	<b>172.34</b>	<b>212.60</b>	<b>240.16</b>
<b>Total equity and liabilities</b>	<b>229.79</b>	<b>275.04</b>	<b>317.83</b>

## PERFORMANCE THROUGH CHARTS



## INDUSTRY REVIEW

### CONSTRUCTION SECTOR IN INDIA

- Construction projects are often categorized based on their scale, the types of structures being built, and the purpose of the project. The sector is broadly divided into real estate construction, Industrial, and Civil & infrastructure construction.
- EPC contracts are designed to streamline project execution by transferring substantial project risks from the owner to the contractor. These contracts encompass the full scope of project responsibilities, including design, procurement, and construction, ensuring a single point of accountability for the project's completion.
- The construction sector is a critical pillar of the Indian economy, with linkages across more than 250 allied subsectors, including cement, steel, paints, bricks, tiles, and more. It is the second-largest economic activity in India after agriculture, contributing approximately 9.1% to the national GVA in FY 2025, as per the Ministry of Statistics and Programme Implementation (MoSPI).

### GOVERNMENT FOCUS ON INFRASTRUCTURE DEVELOPMENT

- One of the key drivers for economic growth is the increased infrastructure investment thrust by the Government of India. The Union Government's budgetary allocation for capital expenditure has seen a consistent and significant upward trajectory over the past several years, reflecting a strong commitment to infrastructure development and long-term economic growth.
- In the Union Budget for Fiscal 2026, the Government of India has increased the capital expenditure by 10.1% (over the previous year revised budget allocation) to nearly ₹ 11,210.00 billion-which indicates the strong Government of India focus on improving the overall infrastructure landscape in India.

### TMT BAR INDUSTRY

- TMT (Thermo-Mechanically Treated) bars are high-strength reinforcement steel used widely in construction industry due to their exceptional strength, ductility, and corrosion resistance. Manufactured through a process of quenching, self-tempering, and atmospheric cooling, TMT bars feature a tough outer surface and a ductile core, making them ideal for earthquake-resistant structures.
- Domestic demand for TMT bars is anticipated to rise significantly, driven by the government's focused efforts on enhancing the nation's infrastructure. The construction industry's growth in India is on an upward trajectory, increasingly favoring TMT bars due to their superior qualities. These bars are known for their exceptional strength, durability, and ability to withstand seismic activities, making them indispensable in modern construction.
- Demand for TMT bar in India is projected to accelerate further with the government policies and initiatives being instrumental driving the demand as it aims at achieving a quality and sustainable infrastructure. Substantial infrastructure spends planned in major end user industries under National Infrastructure Pipeline and PM gati Shakti project and various other projects is expected to drive construction activity.

## COMPETITIVE STRENGTHS OF THE COMPANY

### STRONG PROJECT MANAGEMENT AND EXECUTION CAPABILITIES

- The company have completed 37 projects in the last two decades and have 13 on-going projects, for a diverse set of corporate, government and other customers across various segments.
- Over the years the company has leveraged its expertise and experience to deliver complex construction projects across verticals and geographies and developed a brand with a reputation for delivering quality services with efficient execution and on-time delivery of projects.
- Over the years, the company has developed its capabilities across various stages of a typical project life cycle, commencing from business development, tendering, engineering and design, procurement and construction. This has also helped build its expertise in executing projects across a wide range of segment such as the construction of hospitals, educational institutes, corporate offices, residential buildings and infrastructures, which in turn, enables the company to diversify its Order Book and reduces its dependence on any one sector or type of project.

### GROWING ORDER BOOK AND HIGHER PRE-QUALIFICATION CREDENTIALS

- As of March 31, 2025, its Order Book was ₹6,691.02 million, comprising thirteen (13) ongoing projects consisting of five (5) Infrastructure- Social and Commercial projects, three (3) Infrastructure - Transport and Logistics projects, four (4) Non-infrastructure – Housing projects and one (1) Non-infrastructure - Commercial Office project
- In addition to its focus on the Order Book, the company also focus on adding quality projects with potentially better margins and/or prestigious projects that help enhance its growing reputation. By diversifying its skill set and its Order Book across different sectors, the company are able to pursue a broader range of project tenders and consequently, optimize its business volume and profit margins.
- Its growing Order Book is also attributable to its pre-qualification credentials, which have been aided by its strong track record of project execution and its robust financial performance. The increase in its prequalification and financial strength has helped the company increase its target market size, maintain the momentum of its Order Book growth and enhance its reputation.

### EXPERIENCED PROMOTERS, DIRECTORS AND MANAGEMENT TEAM

- Its Promoters and Directors, Ved Prakash Khurana, Nipun Khurana and Vipul Khurana, have an average of 19 years of experience in the construction industry and have contributed significantly to its growth and development. In addition, the company have a strong senior management team, which has a significant collective experience in the construction industry and is responsible for its overall strategic planning and business development.
- The company believe that the leadership of its Promoters, Directors and its senior management team has been a driving force in the growth of its business since inception and efficient implementation of its business strategies.

## RISK FACTORS

### LOW BID SUCCESS RATE

- For the nine months ended December 31, 2024, its Company submitted successful bids for 11 projects but secured only one, reflecting a success rate of 9.09%, compared to 54.55% in FY24. Its revenues depend upon the award of new contracts and the timing of those awards.
- As a part of its business and operations, the company bid for projects on a continual basis. Projects are awarded following competitive bidding processes and satisfaction of prescribed qualification criteria. Its revenues are derived primarily from contracts awarded to the company on a project-by-project basis, and a significant number of projects in the construction industry are undertaken on a non-recurring basis.
- Construction projects are typically awarded to the company upon satisfaction of prescribed technical and financial qualification criteria following a competitive bidding process. While the track record, experience of project execution, service quality, technical expertise, reputation and sufficiency of financial resources are important considerations in awarding project contracts, there can be no assurance that the company would be able to meet such technical and financial qualification criteria.

### SIGNIFICANT DEPENDENCE ON JV

- For the nine months period ended December 31, 2024 and for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, its revenue from operations from projects undertaken under JVs contributed 36.40%, 33.36%, 28.98%, and 35.15%, respectively, amounting to ₹897.92 million, ₹978.44 million, ₹575.36 million, and ₹891.50 million, respectively.
- The company bid for projects as the sole contractor, with full responsibility for the entire project, including sole discretion to select and supervise subcontractors, if required. However, from time to time, the company form joint ventures or consortiums with other entities operating in the infrastructure and non-infrastructure sector to bid for certain large-scale projects, which helps the company to meet technical or other requirements that may be required as part of the prequalification for bidding or execution of the contract.
- The failure of a JV counterparty or consortium member to perform its obligations could impose additional financial and performance obligations resulting in reduced profits or, in some cases, significant losses, and it may adversely affect its business, results of operations and financial condition.

### GEOGRAPHICAL CONCENTRATION RISK

- Its business is substantially dependent on revenue from Northern India. In the nine months period ended December 31, 2024 and Fiscal 2024, projects in Delhi contributed 66.07% and 47.19% of its revenue from operations.
- The company's business is concentrated in the states of Delhi, Uttar Pradesh and Karnataka in the nine months period ended December 31, 2024 and Fiscal 2024. Its growth strategy to expand into new geographic areas poses risks.



## PEER COMPARISON

Name of the company	Revenue from Operations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
Globe Civil Projects Ltd	335	10	3.58	18.10	19.80	19.83^	3.92^
B L Kashyap and Sons Ltd	1,257	10	2.33	22.02	10.58	28.87	3.05
Ceigall India Limited	3,066	5	19.37	57.68	33.57	12.66	4.25
PSP Projects Ltd	2,530	10	34.16	222.50	13.49	21.37	3.28
Capacit'e Infraprojects Ltd	1,963	10	16.09	179.30	7.93	20.37	1.83
Ahluwalia Contracts (India)	3,892	2	55.95	238.84	23.43	16.42	3.85

Source: RHP, as of March 2024, ^ Calculated at upper price band. \*Calculated at closing of 17th June 2025



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