

**Rating: Subscribe for listing Gains**

**Issue Offer**

**Fresh Issue of 63,12,000 Equity shares  
aggregating up to INR 852 Mn**

**Issue Summary**

Price Band (INR)	128-135
Face Value (INR)	10
Implied Market Cap (INR mn.)	3,216.3
Market Lot	1000
Issue Opens on	Jan 07, 2025
Issue Close on	Jan 09, 2025
No. of share pre-issue	1,75,12,704
No. of share post issue	2,38,24,704
Listing	BSE, SME

**Issue Break-up (%)**

QIB Portion	≥50%
Retail Portion	≤35%
NII(HNI) Portion	≤15%

**Registrar**

Link Intime India Private Ltd.

**Book Running Lead Managers**

Beeline Capital Advisors Pvt Ltd.

**Shareholding Pattern**

	Pre-Issue	Post-Issue
Promoters	99.26%	72.96%
Public & Others	0.74%	27.04%

**Objects of the issue**

- Funding capital expenditure requirement of the company
- Funding Working Capital Requirement of the Company
- Funding expenditure for inorganic growth through acquisitions

B.R. Goyal Infrastructure Limited is based in Indore, Madhya Pradesh. The Company specializes in infrastructure development, including road construction, civil works, and earthwork projects. With a legacy beginning in 1986, the company has transitioned from a partnership firm to a public limited entity, showcasing its focus on executing large-scale government and private contracts. BRGIL has diversified operations, backed by a portfolio of completed projects and established relationships with public and private sector clients.

**Investment Rationale**

**Proven Execution Capabilities with a strong track record:** Company has a legacy of over three decades in infrastructure development, particularly in road construction and civil works. The company has demonstrated its ability to execute complex and large-scale projects across challenging geographies, adhering to quality standards and timelines. This strong execution track record enhances its reputation in the infrastructure sector and positions it as a reliable contractor for both government and private entities.

**Diversified and Reputed Client Base:** The company has built long-standing relationships with government bodies like the National Highways Authority of India (NHAI) and various state public works departments. These relationships not only provide recurring revenue streams but also position the company to win additional contracts in the future. Furthermore, its ability to cater to private-sector projects broadens its client portfolio, reducing dependency on a single segment and mitigating revenue concentration risks.

**Strategic Allocation of IPO Proceeds for Operational Growth:** The fresh issue aims to bolster the company's working capital, which is crucial for managing large-scale and simultaneous projects. A portion of the funds will also be utilized for improving operational efficiencies, such as upgrading machinery and expanding capacity. This strategic allocation of resources is expected to enhance BRGIL's ability to bid for and execute larger contracts, driving future revenue growth.

**Favorable Industry Dynamics and Policy Support:** The Indian infrastructure sector is poised for significant growth, driven by robust government initiatives like Bharatmala Pariyojana, the Smart Cities Mission, and increased budgetary allocations for infrastructure. These initiatives aim to improve connectivity and urban infrastructure, creating a pipeline of projects that companies like BRGIL can capitalize on. Additionally, the government's focus on improving ease of doing business in the construction and infrastructure sectors provides a conducive environment for growth.

**Valuation and View**

Company benefits from its established track record in executing complex infrastructure projects, a diversified client base comprising government and private entities, and strategic utilization of IPO proceeds to enhance operational capabilities. The company is well-positioned to capitalize on India's infrastructure growth, supported by government initiatives like Bharatmala and the Smart Cities Mission. However, risks related to dependency on government contracts and sector-specific challenges warrant caution. **At the upper band of INR 135, the issue is valued at a P/E ratio of 14.71x, and EV/EBITDA is 10.52x based on a FY24 EPS of INR 9.18 and EBITDA. We are recommending a "Subscribe for listing Gains" for this issue.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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