

Rating: Neutral

Issue Offer

Fresh Issue of 1,67,60,563 shares up to INR 1,190 Mn & no OFS issued by Promoters group taking the total issue size of 1,67,60,563 shares at INR 1,190 Mn.

Issue Summary

Price Band INR	67-71
Face Value INR	10
Implied Market Cap INR Mn.	4,240
Market Lot	211
Issue Opens on	Jun 24, 2025
Issue Close on	Jun 26, 2025
No. of share pre-issue	4,29,58,439
No. of share post issue	5,97,18,999
Listing	NSE, BSE

Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Registrar

Kfin Technologies Limited

Book Running Lead Managers

Mefcom Capital Markets Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	88.14%	63.41%
Public & Others	11.9%	36.59%

Objects of the issue

- Funding working capital requirements worth INR 750 Mn of the company
- Capital expenditure of INR 142.6 Mn towards purchase of construction equipment's/ machineries.
- General corporate purposes

Globe Civil Projects, headquartered in New Delhi, is an integrated EPC company specializing in infrastructure and non-infrastructure projects across 11 states in India. With over two decades of experience, the company has completed 37 projects and currently manages 13 ongoing projects, focusing on education institutions, railway infrastructure, hospitals, and commercial buildings. Its order book stood at INR 6,691.02 Mn as of Mar-25, with 64.75% from government contracts, aligning with national initiatives like the National Infrastructure Pipeline. Globe Civil's strong financial performance, with a revenue CAGR of 7.82% from FY22 to FY24, robust project execution capabilities, and Class-1 Super contractor status with CPWD position it for sustained growth in India's booming construction sector.

Investment Rationale:

Capitalizing on large government infrastructure initiatives: Globe Civil is well-positioned to capitalize on India's infrastructure boom, ensuring stable revenue growth and long-term profitability. Large government initiatives, backed by substantial investments (e.g., INR 100 Trn for GatiShakti), aim to strengthen infrastructure development, creating a robust pipeline of opportunities. Globe Civil's expertise in constructing educational institutions and railway infrastructure, combined with its diversification into hospitals and specialized projects like railway bridges and airport terminals, positions it to tap into high-demand sectors. The company's focus on government projects, which account for 64.75% of its order book (INR 4,332.72 Mn as of FY25), aligns with these initiatives. By leveraging its CPWD registration and joint ventures with established firms, Globe Civil can secure high-value government contracts, ensure a stable revenue stream, and enhance its market reputation. The company employs an in-house engineering and design team with expertise in civil construction and MEP services, ensuring high-quality execution and compliance with contractual standards through dedicated quality system managers.

Growing Order Book and Strong Pre-Qualification Credentials: Globe Civil Projects boasts a robust and growing order book, reflecting strong revenue visibility and market confidence in its capabilities. As of Mar-25, the order book stood at INR 6,691.02 Mn, comprising 13 ongoing projects, including significant contracts in social and commercial infrastructure (INR 1,934.90 Mn) and transport and logistics (INR 713.42 Mn). The book-to-bill ratio, was 3.16 for the 9MFY25, indicating a healthy pipeline of work relative to current revenue. The company's Class-1 Super contractor registration with the Central Public Work Department (CPWD), valid until November 2027, allows it to bid for projects up to INR 6,500 Mn, enhancing its access to high-value government contracts with reduced competition. This pre-qualification, combined with a track record of successful project execution and financial stability, has enabled Globe Civil to pursue larger and more prestigious projects, further diversifying its portfolio and reducing sector-specific risks. The company's focus on high-margin and high-visibility projects strengthens its competitive positioning and supports sustained growth.

Strong Financial Performance and Prudent Capital Management: The company diversifies risk by executing a mix of infrastructure (e.g., railway terminals, hospitals) and non-infrastructure (e.g., housing, offices) projects across 11 states. For instance, in the 9MFY25, education institutions contributed 61.95% of revenue, while transport and logistics and non-infrastructure projects added 9.45% and 16.60%, respectively. Company plans to expand into new regions like West Bengal and Odisha. Local offices and a strong supplier network enable. Globe Civil Projects has exhibited consistent financial growth, with revenue from operations increasing from INR 2,857.09 Mn in FY22 to INR 3,321.62 Mn in FY24, reflecting a CAGR of 7.82. This prudent financial management, coupled with a strong balance sheet, provides the company with the flexibility to fund strategic initiatives and pursue growth opportunities while managing cash flow variations effectively. The financial strength underpins Globe Civil's ability to undertake larger projects and compete in a capital-intensive industry.

Valuation and View: Globe Civil Projects is actively pursuing growth by tapping into India's thriving infrastructure sector, driven by major government initiatives like the GatiShakti plan. The company strengthens its foothold in the construction market by focusing on government contracts, which make up 64.75% of its INR 6,691.02 Mn order book as of FY25. With its expertise in building schools, railway infrastructure, and hospitals, company expands its reach while using in-house engineering and MEP skills to deliver projects efficiently. Its scalable approach and solid financial growth, with a 7.82% revenue CAGR from FY22 - FY24, position it as a strong player in meeting India's infrastructure needs. At the upper band of INR 71, the issue is valued at an EV/EBITDA of 11.8x, based of annualized FY25 EBITDA of INR 524 Mn and a P/E ratio of 17.88x, based on a FY25 EPS of INR 4. We are recommending a "Neutral" rating 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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