

Gabion Technologies India IPO

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- The company is engaged in Gabions, Rockfall Protection, Geosynthetic materials and related services.
- While it posted growth in its bottom lines, its top line marked inconsistency for the reported periods.
- It operates in a highly competitive and fragmented segment.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed investors may park moderate funds for long term.

About the Company

Gabion Technologies India Ltd. (GTIL) is engaged in the manufacturing, designing, trading and installation of services of Gabions, Rockfall Protection Nettings, and Geosynthetic Materials, tailored to meet the diverse requirements of civil engineering, infrastructure development, and environmental protection projects. There are three verticals to its business: Manufacturing and supply of mechanically woven Double Twisted Hexagonal Steel Wire Mesh Gabions, Defence Gabions, PP Rope Gabions, Hi-tensile Rockfall Protection Nettings, Rockfall Fence/Barrier Reinforced Geomat, and High Strength Flexible Geogrid.

Service of Design and Constructing Gabion Structures, Slope Stabilization by Anchor-Mesh system and other types of structures in the fields of Geosynthetics, Geotechnical Engineering, and Ground Improvement Techniques. Trading of auxiliary products not manufactured by it but required by its target customers. The company is working with the vision to provide products, services and technology to Government entities, contractors, private customers, consultants, and authorities in the fields of Geosynthetics, Geotechnical Engineering, and Ground Improvement Techniques. To this end, it is manufacturing several products of which the primary product is Steel Gabions.

The company is trading various other products so that its target customers can avail a wide range of products at one place. Apart from the supply of products, it is also a works contractor. So, the company constructs the structures that customers require. It has the capability to engineer and design structures in its field. So, it is a technology provider in its field and have the capability of turnkey execution of projects. It undertakes construction projects for both government and private sector clients. Its products, services and technologies are extensively utilized across a wide range of sectors including infrastructure projects such as roads, railways, airports, irrigation and water resources sector, energy, mining, defence, real estate developments of resorts, commercial building complexes, IIT's for applications such as road and railway embankments formation, protection of

roads and railway tracks from landslides, airport runway developments, protection of hydro power projects, river channelization and river front developments, mining and thermal power plant waste disposal, energy pipelines protection, beach protection etc.

The solutions it provides are retaining walls, reinforced soil walls and slopes, slope erosion control, vegetation growth, rockfall protection, slope stabilization, flood protection wall, river training, scour protection, land reclamation, ground improvement, and ash pond formation. It is continuously developing new capabilities exemplified by its knowledge in the design and turnkey execution of Ash Pond Geomembrane lining and leachate and storm water drainage systems in the mining sector. The company has been associated with one of its customers, since 2019 when it was awarded the 'Service order for Development of Gabion wall of 700 mtrs length, average height 20-25 mtrs on east side of East Cell red mud pond (RMP) including design, vetting and SPCB approval., and the work was successfully completed in 2021. Such Client has another plant in Jharsuguda, Odisha. Here, they generate Ash waste which needs to be disposed-off in large pond like formations. The Ash contains chemicals which need to be prevented from leaching into the ground as they can be hazardous in nature. They awarded it the work of 'Upgrading Ash Pond 3 Kurebaga' in 2024. The company is currently executing this work which entails profiling and lining of ash ponds with an impervious Geosynthetic membrane, constructing drainage systems for leachate and storm water, strengthening the dykes of the pond by anchor mesh system and auxiliary works.

The company has independently completed 76 work contracts having an aggregate contract value of Rs. 127.61 cr. which includes 36 projects in road sector, 12 projects in Railway sector, 8 projects in Private Commercial sector, 9 projects in Energy sector, 3 projects in Mining sector, 3 Projects in Airport sector, 3 projects in Defence sector and 2 projects in Water Resources sector. As of the date of RHP, its work order book consists Rs. 172.47 cr. As of November 30, 2025, it had 159 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 3600000 equity shares to mobilize Rs. 29.16 cr. The company has announced the price band of Rs. 76 – Rs. 81 per share of Rs. 10 each. The IPO opens for subscription on January 06, 2026, and will close on January 08, 2025. The minimum application to be made is for 3200 shares and in multiple of 1600 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 26.52% of post-IPO paid-up equity capital of the company. From the net proceeds of the issue, the company will utilize Rs. 22.11 cr. for working capital, Rs. 1.06 cr. for capex on purchase of plant and machinery, and the rest for general corporate purpose.

The IPO is solely lead managed by GYR Capital Advisors Pvt. Ltd., while KFin Technologies Ltd. is the registrar to the issue. Giriraj Stock Broking Pvt. Ltd. Is the market maker. GYR Capital Advisor is a syndicate member and Intellect Stock Broking Ltd. is the sub-syndicate member.

The company has issued initial equity shares at par value, and has issued further equity capital at a price of Rs. 14 per share (based on Rs. 10 FV) in August 2018. It has also issued bonus equity shares in the ratio of 5 for 1 in September 2024. The average cost of acquisition of shares by the promoters is Rs. 0.00, Rs. 1.89, Rs. 2.28, and Rs. 2.33 per share.

Post-IPO, company's current paid-up equity capital of Rs. 9.98 cr. will stand enhanced to Rs. 13.58 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 109.96 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 78.88 cr. / Rs. 3.41 cr. (FY23), Rs. 104.97 cr. / Rs. 5.82 cr. (FY24), Rs. 101.17 cr. / Rs. 6.63 cr. (FY25). For 8M - FY26 ended on November 30, 2025, it earned a net profit of Rs. 4.30 cr. on a total income of Rs. 60.66 cr. Surprisingly for FY25 though it marked a setback for top line, its bottom line improved. Its higher debt-equity ratio of 1.98 raise concern.

For the last three fiscals, the company has reported an average EPS of Rs. 5.82, and an average RoNW of 33.39%. The issue is priced at a P/BV of 3.07 based on its NAV of Rs. 26.39 as of November 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute its FY26 super annualized earnings on post-IPO expanded equity base, then the asking price is at a P/E of 17.05, and based on its FY25 earnings, the P/E stands at 16.60. Thus, the issue appears fully priced.

The company has posted PAT margins of 4.33% (FY23), 5.50% (FY24), 6.60% (FY25), 7.11% (8M-FY26), RoCE Margins of 14.41%, 21.86%, 19.17%, 11.55% respectively for the referred periods.

Dividend Policy

The company not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performances and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown SRM Contractors as its listed peer. It is currently trading at a P/E 17.7 (as of January 01, 2026). However, they are not truly comparable on an apple-to-apple basis.

MERCHANT BANKER'S TRACK RECORDS:

This is the 55th mandate from GYR Capital in the last five fiscals. Out of the last 11 listings, 1 listed at par, and the rest with premium ranging from 4.92% to 90.00% on the date of listing. There appears to be a typo error for KV Toys listing data on page 259. It mentioned Rs. 32 instead of Rs. 320 per share.

Conclusion / Investment Strategy

GTIL is engaged in Gabions, Rockfall Protection, Geosynthetic materials and related services. While it posted growth in its bottom lines, its top line marked inconsistency for the reported periods. It operates in a highly competitive and fragmented segment. Based on its recent financial data, the issue appears fully priced. Well-informed investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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