

Gulf Lloyds (India) IPO

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- The company is engaged in providing services related to third party inspection, auditing, certification, testing and training services.
- It marked average growth in its top and bottom lines for the reported periods, with stagnant top lines.
- Post-IPO small equity base indicated longer gestation period for migration.
- Based on its recent financial data, the issue appears fully priced. It has orders worth Rs. 58.44 cr. as of May 31, 2026.
- Well-informed/risk seeker investors may park moderate funds for medium term.

About the Company

Gulf Lloyds (India) Ltd. (GLIL) operates in the Services Sector, providing third party Inspection, Auditing, Certification, Testing, and Training, services across various industries and regions. It started with the objective of delivering inspection and certification services. The firm initially undertook subcontracted assignments from organizations. As operations expanded, the promoters incorporated the company on September 26, 2014, to participate directly in tenders and execute projects independently.

The Company provides Third-Party Inspection, Auditing, Testing, Training and Certification services to public sector undertakings as well as private organizations. It also deploys trained and technically qualified personnel to perform inspection, verification and audit services as per client requirements and applicable standards. The Company undertakes assignments across multiple sectors, assessing whether the products, works, or processes meet prescribed quality and safety standards, technical specifications, and client requirements. Its services support the organizations of various sizes and industries in maintaining quality and safety compliance, controlling costs and operational efficiency.

As part of its inspection and certification activities, the Company evaluates compliance and documents, its findings in detailed reports submitted to clients for review and necessary action. It undertakes Third-Party Inspection assignments in India as well as overseas through contractual arrangements. Through such contracts, the Company provides inspection, verification services for projects located outside India. By leveraging its network of qualified inspectors and technical professionals, the Company is capable of executing assignments across multiple countries and supporting clients in meeting international quality, safety, and compliance standards and requirements. This enables the Company to extend its services globally and effectively cover projects across different regions of the world.

GLIL has served a customer base across sectors such as infrastructure, oil and gas, engineering, manufacturing, irrigation, energy, and industrial equipment. It aims to meet the needs of customers and organization by delivering services wherever required. Its role is to provide business solutions that helps to improve the quality, safety, productivity, and risk management while helping customers operate within regulatory and compliance frameworks. Its independent services support the clients' efficient operations and long-term business continuity. As of May 31, 2026, it had 715 employees on its payroll (including 96 contract workers). While it completed 298 projects worth Rs. 132.40 cr. between FY21 to FY26, and has pending orders worth Rs. 58.44 cr. as of May 31, 2026.

Issue Details / Capital History

The company is coming out with its maiden IPO of 1819200 equity shares of Rs. 10 each at a fixed price of Rs. 100 per share to mobilize Rs. 18.19 cr. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on July 20, 2026 and will close on July 22, 2026. The shares will be listed on BSE SME. The IPO constitute 27.03% of the post-IPO paid-up capital of the company. The company is spending Rs. 2.00 cr. for this IPO process, and from the net proceeds of the equity issue, the company will utilize Rs. 7.15 cr. for working capital, Rs. 3.71 cr. for capex on office premises, Rs. 3.00 cr. for repayment of unsecured loans, and Rs. 2.33 cr. for general corporate purposes.

The IPO is solely lead managed by Interactive Financial Services Ltd., and KFin Technologies Ltd. Is the registrar to the issue. Prabhat Financial Services Ltd., is the market maker. Goldmine Stocks Pvt. Ltd. Is the advisor to the issue. The IPO is underwritten to the tune of 84.96% by Prabhat Financial Services Ltd., and to the tune of 15.04% by Interactive Fin. Services Ltd.

After issuing entire initial equity capital at par value, the company issued bonus shares in the ratio of 490 for 1 in May 2025. The average cost of acquisition of shares by the promoters is Rs. NIL, Rs. 0.02, and Rs. 10.18 per share.

Post-IPO, company's current paid-up equity capital of Rs. 4.91 cr. will stand enhanced to Rs. 6.73 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 67.29 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/net profit, of Rs. 23.51 cr. / Rs. 1.68 cr. (FY24 - standalone), Rs. 35.88 cr. / Rs. 4.67 cr. (FY25 - standalone), Rs. 35.97 cr. / Rs. 4.30 cr. (FY26 - consolidated). While it posted static top lines for the FY25 and FY26, it marked inconsistency in its bottom lines. Its borrowings of Rs. 15.68 cr. as of March 31, 2026, raise alarm.

For the last three fiscals, the company has reported an average EPS of Rs. 8.12 and an average RoNW of 38.65%. The issue is priced at a P/BV of 3.64 based on its NAV of Rs. 27.46 per share as of March 31, 2026, and at a P/BV of 2.12 based on its post IPO NAV of Rs. 47.07 per share.

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 15.65, and based on FY25 earnings, the P/E stands at 14.41. The issue appears fully priced based on its recent super earnings.

The company has posted PAT Margins of 7.21% (FY24), 13.11% (FY25), 12.06% (FY26), and RoCE margins of 23.93%, 39.77%, 24.88%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends since incorporation. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has no listed peers to compare with.

Merchant Banker's Track Record

This is the 33rd mandate from Interactive Financial Services Ltd. in the last five fiscals (including ongoing fiscal), and out of the last 11 listings, 5 listed at discount, 1 at par, and the rest with premium ranging from 1.10% to 90.0% on the date of listing. The merchant banker has a poor track record.

Conclusion / Investment Strategy

GLIL is engaged in providing services related to third party inspection, auditing, certification, testing and training services. It marked average growth in its top and bottom lines for the reported periods, with stagnant top lines. Post-IPO small equity base indicated longer gestation period for migration. Based on its recent financial data, the issue appears fully priced. It has orders worth Rs. 58.44 cr. as of May 31, 2026. Merchant Banker has a poor track record. Well-informed/risk seeker investors may park moderate funds for medium 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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