GLOBE CIVIL PROJECTS LIMITED

June 19, 2025

Globe Civil Projects Ltd.

SMC Ranking

Issue Highlights

Industry	Infrastructure
Fresh Issue (Shares)	1,67,60,560
Net Offer to the Public	1,67,60,560
Issue Size (Rs. Cr.)	112-119
Price Band (Rs.)	67-71
Offer Date	24-Jun-25
Close Date	26-Jun-25
Face Value	10
Lot Size	211

Issue Composition

	In shares
Total Issue for Sale	1,67,60,560
QIB	83,80,280
NIB	25,14,084
Retail	58,66,196

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	88.14%	63.41%
QIB	0.00%	14.03%
NIB	11.86%	12.74%
Retail	0.00%	9.82%
Total	**100.00%**	**100.00**

*calculated on the upper price band

Objects of the Issue

1. Funding working capital requirements of the Company.
2. Capital expenditure towards purchase of construction equipments/ machineries.
3. General corporate purposes

Book Running Lead Manager

- MEFCOM CAPITAL MARKETS LIMITED

Name of the registrar

- KFIN TECHNOLOGIES LIMITED

About the company

Incorporated in 2002, Globe Civil Projects Limited is an integrated Engineering, Procurement, and Construction (EPC) company headquartered in New Delhi. The company has successfully executed projects across 11 states in India, including Uttar Pradesh, Haryana, Delhi, Maharashtra, Andhra Pradesh, Karnataka, Gujarat, Chhattisgarh, Rajasthan, Uttarakhand, and Himachal Pradesh. Globe Civil Projects Limited has completed 37 projects. Currently, the company is working on 12 ongoing projects, including five social and commercial projects. As of August 31, 2024, the company's order book stands at ₹8,929.45 million, covering 14 projects:

- 6 Infrastructure - Social and Commercial projects
- 3 Infrastructure - Transport and Logistics projects
- 4 Non-Infrastructure - Housing projects
- 1 Non-Infrastructure - Commercial Office project

Strength

Strong Project Management and Execution Capabilities: Globe Civil Projects Limited has over two decades of experience in executing a diverse mix of construction projects. As of the Red Herring Prospectus date, it had completed 37 projects and was working on 13 ongoing ones for clients across government, corporate, and institutional sectors. Its largest completed project was the AIIMS Raipur Academic Block (4.64 lakh sq. ft; ₹181.35 crore), and the largest ongoing is the NIT Narela Campus (6.89 lakh sq. ft; ₹327 crore). With in-house engineering expertise, strong quality systems, and experience across sectors, the company ensures timely, high-quality project execution with reduced sectoral dependency.

Growing Order Book and Higher Pre-Qualification Credentials: Globe Civil Projects Limited's Order Book stood at ₹778.53 crore as of December 31, 2024, compared to ₹980.86 crore (FY24), ₹937.80 crore (FY23), and ₹309.05 crore (FY22). The Book-to-Bill ratio was strong at 3.06x (9M FY25). As of March 31, 2025, the Order Book was ₹669.10 crore across 13 ongoing projects in infrastructure and non-infrastructure segments. Pre-qualification credentials and past execution success have helped the company win larger and more prestigious projects. Notable orders include ₹193.49 crore in Education Infrastructure and ₹71.34 crore in Railway Logistics. Diversification and consistent bidding success continue to drive future revenue visibility.

Strong and Consistent Financial Performance: Globe Civil Projects Limited has demonstrated robust financial growth, with revenue rising from ₹285.71 crore in FY22 to ₹332.16 crore in FY24 (CAGR: 7.82%). Profit before tax rose significantly from ₹7.02 crore to ₹20.99 crore during the same period

(CAGR: 72.92%). This growth reflects strong client relations, disciplined execution, and quality control. As of December 31, 2024, total assets stood at ₹374.60 crore, borrowings at ₹137.97 crore, and equity at ₹99.83 crore. The company maintained moderate leverage with a debt-equity ratio of 1.38x. Its solid financial base positions it well to undertake larger and more complex projects ahead.

Strategy

Focus on Government Infrastructure Projects: Globe Civil Projects Limited strategically focuses on securing government infrastructure projects, particularly in the education and healthcare sectors. The company's portfolio aligns with major GoI initiatives like NIP, NMP, and the ₹100 trillion Gati Shakti Plan. As of March 31, 2025, ₹433.27 crore (approx. 64.75%) of its ₹669.10 crore Order Book came from government projects. With 13 ongoing projects, the company continues to target educational buildings and hospital infrastructure, tapping into India's demographic growth and rising healthcare demand. Its expanding capabilities in specialized projects like terminals, bridges, and railways further strengthen its prospects in public infrastructure development nationwide.

Further Expand Geographical Footprint: Globe Civil Projects Limited, headquartered in New Delhi, operates across eleven Indian states including Uttar Pradesh, Maharashtra, Karnataka, and Gujarat. The company plans to expand into new geographies like West Bengal and Odisha, while deepening its presence in existing regions. With a reputation for delivering high-quality projects, Globe Civil ensures timely execution through local teams, regional offices, and a well-integrated supplier and labour network. This geographical diversification supports revenue growth and reduces business risk concentration. As clients expand into new territories, Globe Civil's strong relationships and proven track record position it to capitalize on wider market opportunities nationwide.

Expand Pre-Qualification and Bidding Capacity: Globe Civil Projects Limited is accredited as a Class I Super Contractor by the CPWD, allowing it to independently bid for projects up to ₹650 crore. Its ability to secure repeat contracts from government departments and PSUs reflects its operational and financial strengths. The company has consistently enhanced its bid capacity and pre-qualification credentials—factors critical in winning large, technically demanding tenders. Globe Civil also partners in project-specific joint ventures when needed to meet financial or technical eligibility. These strategic measures enable the company to pursue increasingly complex and higher-value contracts, positioning it for scalable and sustained future growth.

Timely Delivery and Quality Execution: Globe Civil Projects Limited has built a reputation for delivering diverse, complex projects on time and with high quality. The company continues to focus on operational efficiency and client satisfaction using design, engineering, and project management tools like ERP systems. From the IPO proceeds, approximately ₹14.26 crore will be invested in machinery to boost execution capabilities. It also plans to strengthen human capital through training and hiring. With a strong focus on safety, quality, and environmental standards, Globe Civil aims to enhance its competitive edge as clients increasingly consider such benchmarks vital in evaluating construction partners.

Pursue Strategic Alliances: Globe Civil Projects Limited continues to develop strategic partnerships and alliances to enhance its market presence and execution strength. By collaborating with experienced and complementary organizations, it aims to share project risks and expand into new markets more efficiently. These alliances, often through joint ventures, allow access to broader resources and improved client credibility. As of March 31, 2025, the company had formed six joint ventures with clients and strategic partners to pursue diverse project opportunities. Such partnerships are central to Globe Civil's growth strategy, enabling it to leverage external expertise while expanding its footprint and capabilities.

Risk factor

- Globe Civil Projects Limited derived a significant portion of its revenue from CPWD projects—10.10% (9M FY25), 29.77% (FY24), 57.48% (FY23), and 54.62% (FY22). A slowdown in CPWD awards or inability to secure new projects could impact its financial performance.
- The company's business and profitability depend heavily on demand for construction services and government budget allocations across infrastructure and non-infrastructure sectors.
- Revenue is tied to new contract awards and their timing. Delays, disqualification in bidding, or failure to meet technical criteria may adversely affect cash flows.
- The company relies on third-party suppliers for raw materials. Supply disruptions or price volatility can significantly impact operations and profitability.

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Ahluwalia Contr.	4098.62	202.08	30.17	30.46	3.42	268.47	2	918.90	6155.49
B.L.Kashyap	1153.63	27.48	0.77	87.36	2.90	23.23	1	67.27	1516.53
PSP Projects	2512.13	56.42	14.23	51.30	2.39	304.97	10	730.00	2893.85
Capacit'e Infra.	2349.51	202.56	23.94	13.69	1.61	203.14	10	327.75	2772.90
Ceigall India	3436.73	294.02	16.88	14.53	2.33	105.20	5	245.25	4272.37
GLOBE CIVIL PROJECTS LIMITED	339.54	23.72	3.97	17.88	1.89	37.64	10	71.00	424.00

***Peer companies financials are TTM based**
***** GLOBE CIVIL PROJECTS LIMITED is based on Estimated Annualised Fy25**

Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs.71, the stock is priced at pre issue P/E of 12.86 x on Estimated Annualised FY25 EPS of Rs.5.52. Post issue, the stock is priced at a P/E of 17.88x on its EPS of Rs. 3.97. Looking at the P/B ratio at Rs. 71 pre issue, book value of Rs. 24.62 of P/Bvx 2.88x. Post issue, book value of Rs.37.64 of P/Bvx 1.89x.

Considering the P/E valuation, on the lower end of the price band of Rs.67, the stock is priced at pre issue P/E of 12.13 x on Estimated Annualised FY25 EPS of Rs. 5.52. Post issue, the stock is priced at a P/E of 16.87x on its EPS of Rs. 3.97. Looking at the P/B ratio at Rs. 67 pre issue, book value of Rs. 24.62 of P/Bvx 2.72x. Post issue, book value of Rs.37.64 of P/Bvx 1.78x.

Industry Overview

India's economy has exceeded expectations, registering an 8.2% growth in FY24. Construction sector is one of the major segments that drives an economy. A unit

increase in expenditure in construction sector has a multiplier effect on other sectors with a capacity to generate income as high as five times in other sectors. Growth in the number of construction projects creates as well as strengthens the demand for a myriad range of products and services. These include project management services, EPC/EPCM services and architecture consulting services, to name a few. The competitive dynamics within the EPC industry are primarily shaped by substantial upfront capital investments and stringent technical norms established by contract awarding authorities, which restrict smaller players from entering large-scale projects. (Source: D&B Report) India's construction market is expected to be the second largest globally by 2030, with Gross Value Added (GVA) expected to reach INR 21.8 trillion, projected to grow at 7.2% CAGR between FY 2024-30.

Outlook

Globe Civil Projects Limited is well-positioned for sustained growth, backed by strong execution capabilities, a ₹669.10 crore diversified Order Book, and robust financial performance. With strategic focus on government infrastructure—particularly education and healthcare—and expanding presence across 11 states, the company targets scalable opportunities. Its growing pre-qualification strength and alliances support large project wins. While CPWD dependence and supply risks exist, disciplined bidding, sectoral diversification, and investments in technology and machinery reinforce operational resilience and future growth visibility in India's booming infrastructure sector.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Tue, Jun 24, 2025
IPO Close Date	Thu, Jun 26, 2025
Tentative Allotment	Fri, Jun 27, 2025
Initiation of Refunds	Mon, Jun 30, 2025
Credit of Shares to Demat	Mon, Jun 30, 2025
Tentative Listing Date	Tue, Jul 1, 2025

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Dec-24 (9 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	254.66	332.16	233.35
Total expenditure	215.36	287.51	212.54
Operating Profit	**39.30**	**44.65**	**20.80**
OPM%	15.43	13.44	8.92
Other Income	2.08	2.65	1.82
Total Net Income	**41.38**	**47.30**	**22.63**
Interest	15.35	22.48	12.69
PBDT	26.03	24.82	9.94
Depreciation	2.78	3.84	3.20
PBT	**23.25**	**20.99**	**6.73**
Tax	5.46	5.61	1.88
Profit & Loss	**17.79**	**15.38**	**4.85**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Dec-24	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Property, plant and equipment	25.79	27.62	19.59
Investment Property	0.91	0.95	1.00
Other intangible assets	0.00	0.00	0.01
Right of Use Assets	0.00	0.14	0.34
Financial Assets			
Investments	0.03	0.03	0.03
Other Financial Assets	12.29	3.04	14.26
Deferred Tax Assets (net)	1.49	1.24	0.92
Other non-current assets	0.17	0.19	0.22
Total non-current assets	**40.68**	**33.20**	**36.37**
Current asset			
Inventories	110.46	93.62	80.51
Financial Assets			
Trade receivables	141.34	97.00	68.05
Cash and cash equivalents	0.26	0.20	0.30
Bank balances other than (ii) above	5.03	8.33	0.31
Other financial assets	29.52	34.04	26.82
Other Financial Assets	5.00	6.43	7.13
Other current assets	42.31	45.01	55.56
Total current assets	**333.92**	**284.63**	**238.68**
Total Assets	**374.60**	**317.83**	**275.04**
Non-current liabilities			
Financial liabilities			
Borrowings	8.61	12.11	12.93
Lease liabilities	0.00	0.00	0.16
Other Non Current Financial Liabilities	0.00	0.39	0.00
Provisions	0.70	0.50	0.41
Other Non Current Liabilities	32.11	35.47	29.82
Total Non- Financial liabilities	**41.42**	**48.47**	**43.32**
Current liabilities			
Financial Liabilities			
Borrowings	129.36	112.37	84.06
Lease liabilities	0.00	0.16	0.23
Trade payables- Total outstanding dues of micro and small enterprises	15.12	6.89	2.75
Trade payables-Total outstanding dues of creditors other than micro and small enterprises	38.62	28.79	39.55
Other financial liabilities	7.37	3.32	3.41
Other Current Liabilities	41.34	39.40	38.98
Provisions	1.55	0.76	0.28
Total - Current Liabilities	**233.35**	**191.69**	**169.28**
Total Liabilities	**274.77**	**240.16**	**212.60**
Net worth represented by:			
Equity share capital	42.96	2.48	2.48
Other equity	56.87	75.19	59.97
Net Worth	**99.83**	**77.67**	**62.44**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

E-mail: researchfeedback@smcindiaonline.com

Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park , A Wing 401 / 402 ,
4th Floor ,Graham Firth Steel Compound,
Off Western Express Highway, Jay Coach Signal,
Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-28805606

Kolkata Office:
18, Rabindra Sarani,
Poddar Court,Gate No.- 4, 5th Floor, Kolkata-700001
Tel: 91-33-39847000, Fax: 91-33-39847004

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