IPO Note

GLOBE CIVIL PROJECTS LIMITED

JUN 24, 2025



Globe Civil Projects Limited

Jun 24, 2025

Details of the Issue	
Price Band	₹ 67 - ₹ 71
Issue Size	₹ 119 Cr
Face Value	₹ 10
Bid Lot	211
Listing on	BSE, NSE
Post Issue Mcap	₹ 424 Cr
Investment Range	₹ 14,137 - ₹ 14,981

Important Indicative Dates (2025)	
Opening	24 - Jun
Closing	26 - Jun
Basis of Allotment	27 - Jun
Refund Initiation	30 - Jun
Credit to Demat	30 - Jun
Listing Date	01 - Jul

Lead Manager
NEFCOM CAPITAL MARKETS Ltd

Offer Details	
Offer Size	₹ 119 Cr
Fresh Issue	₹ 119 Cr
OFS	-

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	60	8.38	8.88	50
NII	18	2.51	2.66	10
Retail	42	5.86	6.21	35
Em-ploy.	-	-	-	-
Total	119	16.76	17.76	100

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Company Profile

Globe Civil Projects Limited, established in 2002 and based in New Delhi, is an integrated EPC company with a presence across 11 Indian states. It has completed 37 projects and is currently executing 12, including five in the social and commercial infrastructure segment. As of August 31, 2024, the company's order book stands at ₹8,929.45 million across 14 projects, comprising 6 social and commercial infrastructure, 3 transport and logistics, 4 housing, and 1 commercial office project. The company employs 112 permanent staff.

GEPL's Insights & Investment Thesis:

- Globe Civil Projects Ltd. generates 87% of its revenue from government, especially Central Public Works Department (CPWD), creating client and project concentration risk.
- Due to increased government project exposure, the company experiences higher working capital days. Over the last three years, the company's working capital has increased from 78 in FY2022 to 148 as of 9M FY2025.
- Based on the FY25 annualized earnings relative to the company's post-IPO paid-up capital, the issue is priced at a P/E ratio of 17.9x. We believe that the company has a concentrated project exposure, higher working capital requirements, and competitive pressure. Therefore, we recommend a **"Avoid"** rating for the issue.

Business Highlights & Services

With over two decades of experience, Globe Civil Projects Limited has built a strong track record in executing complex and diverse construction projects across sectors and geographies. The company has completed 37 projects and is currently executing 13, catering to corporate, government, and institutional clients. Its execution capabilities are demonstrated by landmark projects such as the AIIMS Raipur block (₹1,813.47 million) and the ongoing NIT Narela campus (₹3,270 million). Backed by an experienced in-house engineering and design team, Globe emphasizes quality, timely delivery, and operational efficiency. Its integrated capabilities across the project life cycle—from tendering to construction—have enabled the company to diversify its order book across hospitals, educational institutions, offices, residential buildings, and infrastructure, reducing dependence on any single segment and supporting long-term sustainable growth.

Globe Civil Projects Limited offers strong revenue visibility backed by a robust and growing order book, which stood at ₹6,691.02 million as of March 31, 2025, spread across 13 ongoing projects in diverse segments. The company's order book has demonstrated consistent strength over the years—rising from ₹3,090.5 million in FY22 to ₹9,808.56 million in FY24—supported by a healthy Book-to-Bill ratio ranging from 1.08x to 4.02x. The order book includes high-value and prestigious projects in social infrastructure, education institutions, and transport/logistics, indicating improved project size and complexity. The company's strong execution track record and sound financials have enhanced its pre-qualification credentials, enabling access to a larger pool of tenders. Strategic focus on quality, margin-accretive projects and diversification across sectors further strengthens its growth prospects and positions it well for sustained performance.

Globe Civil Projects Limited is well-positioned to benefit from rising government infrastructure spending, particularly in the construction of educational institutions and healthcare facilities. With 64.75% of its order book as of March 31, 2025, derived from government contracts (₹4,332.72 million), the company is strongly aligned with national initiatives like the National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP), and PM GatiShakti. These policies aim to boost investment across core infrastructure segments, unlocking significant construction opportunities. The company's strategic focus on high-growth sectors—education and healthcare—is supported by demographic tailwinds, increased government focus, and rising demand. Additionally, its growing capabilities in railway infrastructure, hospital buildings, and institutional projects, backed by a strong execution record, enable it to capture a broader range of public and private sector projects. This focused diversification enhances revenue visibility, improves margins, and supports long-term sustainable growth.

Globe Civil Projects Limited holds a Class I Super Contractor accreditation from the Central Public Works Department, allowing it to independently bid for projects up to ₹6,500 million. This strong pre-qualification status enhances its ability to secure large and diverse contracts, ensuring sustained revenue visibility and operational scale. The company's focus on continuously improving its bid capacity and technical credentials positions it well to compete for high-value government and public sector projects. Additionally, its strategic use of joint ventures—with six formed as of March 31, 2025—enables it to combine complementary capabilities, meet eligibility requirements, and enter new markets more effectively. These collaborations, along with established client relationships, provide a competitive edge and support long-term growth through enhanced project access, resource optimization, and risk-sharing.

Business Verticals - Revenue Mix

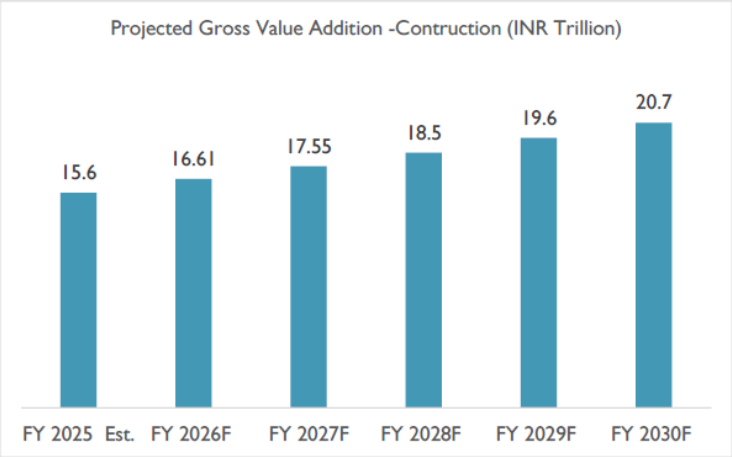
Business Verticles	9MFY25		FY24		FY23		FY22	
	Amt (INR in Cr)	%	Amt (INR in Cr)	%	Amt (INR in Cr)	%	Amt (INR in Cr)	%
Infrastructure								
Logistics & Transport								
Railway terminals infrastructur	23.9	9.42	29.4	8.86	6.04	2.59	0	0
Roads & bridges	0.066	0.03	15.5	4.67	44.7	19.16	91.5	32.05
Social & Commercial Infrastructure								
Education Institutions	157.7	61.95	156.4	47.09	92.7	39.75	139.7	48.9
Hospitals (capital stock)	7.314	2.87	22.6	6.82	39.6	16.99	7.14	2.5
Sports Infrastructure	15.28	6	22.8	6.87	0	0		
Non-Infrastructure								
Housing	25.3	9.94	8.3	2.5	11.5	4.96	14.18	4.96
Office others	16.9	6.66	38.143	11.48	3.8	1.64	0.98	0.34
Other trading	7.98	3.14	38.8	11.71	34.78	14.92	32	11.23
Total	**254.657**	**100**	**332**	**100**	**233**	**100**	**285.7**	**100**

Order Book Details

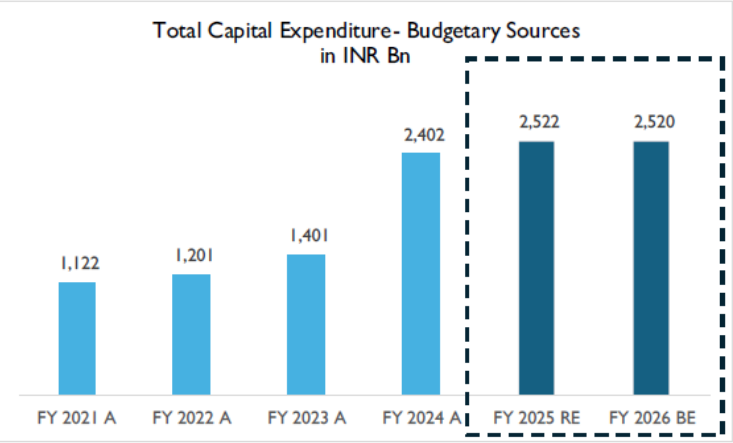
Particular	9MFY25	FY24	FY23	FY22
Order Book	778.5	980.85	937	309
No of Ongoing Project	13	12	12	11
No of completed projects	1	1	2	1
Revenue from Operation	246.67	293	198.5	253.6
Bill to Book ration	3.16	3.34	4.72	1.22

Industry Overview

India's expanding economy is driving demand for residential, commercial, and industrial spaces, boosting construction across segments. Rising income levels, domestic and foreign investments in infrastructure, and sectoral growth in IT, e-commerce, and manufacturing are fueling this momentum. The construction sector is projected to grow at a 5.8% CAGR to reach INR 20.7 trillion GVA by FY2030, making it the world's second-largest market. Urbanization, with India's population expected to hit 1.64 billion by 2047 and 51% living in cities, is increasing demand for housing, student accommodations, and public infrastructure. The government's focus on infrastructure, with higher budget allocations and key programs like NIP, PM Gati Shakti, Smart Cities, Swachh Bharat, and metro projects, is set to further accelerate construction industry growth. Government initiatives like PMAY are boosting affordable housing demand, promoting inclusive growth in construction. Policy reforms aimed at easing regulations, environmental clearances, and land acquisition are creating a more business-friendly environment. Despite risks such as slow credit flow and rupee depreciation, long-term prospects remain strong, supported by flagship programs like the National Infrastructure Pipeline and PM Gati Shakti. Construction sector output is projected to reach INR 57,661 Bn by 2030, led by residential and non-residential segments. The EPC model is transforming project execution by integrating design, procurement, and construction under a single contract, ensuring cost efficiency and timely delivery. It is driving growth in highways, power, and infrastructure projects, supported by tech adoption (BIM, IoT, AI) and government focus on renewables. While challenges like regulatory delays and labour shortages persist, the EPC model is set to play a key role in accelerating India's infrastructure development and global competitiveness.

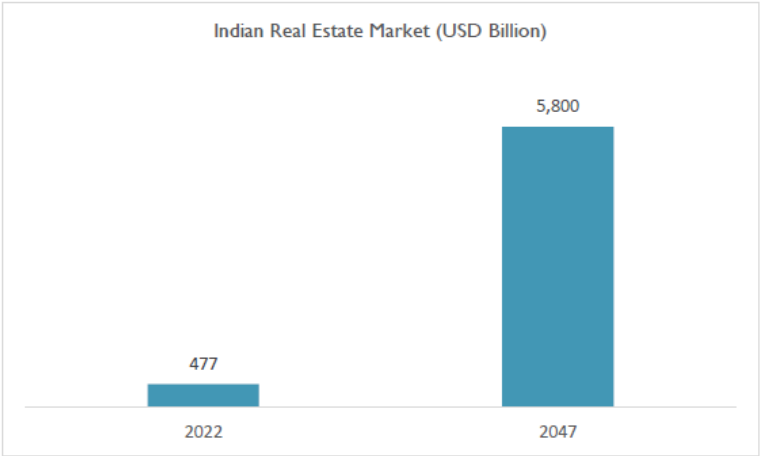


Sources: Forecast Based on CMIE Projection



Source: Union Budget, Expenditure Profile

As per the 'India Real Estate: Vision 2047' report by NAREDCO and Knight Frank India, the Indian real estate sector is projected to grow over 12-fold to USD 5.8 trillion by 2047 from USD 477 billion in 2022, contributing 15% to the GDP, up from 7.3%. The residential market alone is expected to reach USD 3.5 trillion, while office and warehousing markets are projected to grow to USD 473 billion and USD 34 billion, respectively. India will require around 230 million housing units by 2047, with demand shifting from affordable to mid and luxury segments as lower-income household share declines from 43% to 9%. This growth will be driven by rising incomes, supportive policies, and new investment models.



Source: India Real Estate: Vision 2047, National Real Estate Development Council and Knight Frank India

Companies Competitive Strength

- Strong project management and execution capabilities.
- Growing Order Book and higher pre-qualification credentials.
- Strong and consistent financial performance.
- Experienced Promoters, Directors and management team.

Key Strategies Implemented by Company

- Focus on securing government infrastructure projects, specifically targeting the construction of educational institutions and hospital buildings.
- Further expand the geographical footprint.
- Continue to focus on timely delivery and quality execution capabilities.
- Continue to pursue strategic alliances.

Financials

Particular (INR in Cr)	9MFY25	FY24	FY23	FY22
Equity Capital	43	2.5	2.5	2.5
Reserves and Surplus	57	75	60	55
Net Worth	100	78	62	57
Revenue	257	335	235	287
Growth (%)		42%	-18%	
EBITDA	39	45	21	23
EBITDAM (%)	15.3%	13.3%	8.8%	8.0%
PAT	18	15	5	5
PATM (%)	7%	5%	2%	2%
ROCE (%)	24%	23%	13%	16%
ROE (%)	18%	22%	8%	10%

Notes

GEPL Capital Pvt. Ltd

Head Office: D-21/22 Dhanraj Mahal, CSM Marg, Colaba, Mumbai 400001

Reg. Office: 922-C, P.J. Towers, Dalal Street, Fort, Mumbai 400001

Research Analyst – Mr. Vidnyan Sawant | + 022-6618 27687 | vidnyansawant@geplcapital.com

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