

Company Business

Globe Civil Projects Limited is primarily an **integrated engineering, procurement, and construction ("EPC") company**. The company is headquartered in New Delhi and has undertaken projects in eleven states across India, including Uttar Pradesh, Haryana, Delhi, Maharashtra, Andhra Pradesh, Karnataka, Gujarat, Chhattisgarh, Rajasthan, Uttarakhand, and Himachal Pradesh. The company's revenue is derived from two main business segments:

- ✦ **Construction Project Receipts (EPC)** : This is the primary segment, accounting for approximately 96.86% of their revenue from operations as of December 31, 2024. These projects can be categorized into two broad types:
 - **Infrastructure Projects** : These include:
 - ✦ **Transport and Logistics projects** : such as roads and bridges, airport terminals, and railway terminals.
 - ✦ **Social and Commercial projects** : comprising education institutions, sports infrastructure, and hospitals.
 - **Non-Infrastructure Projects** : These are divided into commercial offices and housing. The company works with reputed clients and is associated with significant construction projects in India.
- ✦ **Trading of Goods** : This segment primarily involves the sale of TMT steel. As a construction company, Globe Civil Projects Limited requires materials like steel, cement, sand, and aggregates for its projects. To ensure timely execution and reduce procurement costs, they stock TMT steel. After captive consumption for their own projects, the residue TMT steel is sold in the open market to third-party contractors and traders on commercially viable terms. This segment contributed approximately 3.14% of their revenue from operations for the nine months ended December 31, 2024, and has varied in contribution in previous fiscal years.
- ✦ The company's business heavily relies on projects awarded by **government or government-owned customers** like the Central Public Works Department (CPWD) and Public Sector Undertakings (PSUs). As of March 31, 2025, their order book value from government projects was approximately ₹433.27 crore, representing around **64.75% of their total Order Book**.
- ✦ As of March 31, 2025, their **Order Book (unexecuted portion of existing assigned civil construction projects)** was ₹669.10 crore.
- ✦ The Indian EPC market is highly fragmented and competitive, characterized by numerous small and medium-sized enterprises (SMEs) alongside a few large conglomerates that handle complex projects.

IPO Details

- ✦ Total Issue Size : 1,67,60,560 Shares (Rs. 119 Cr.)
- ✦ Fresh issue : **Entire issue is fresh issue.**
- ✦ Price Band : ₹67 – ₹71 per share
- ✦ Lot Size : 211 shares
- ✦ IPO Date : **June 24–26, 2025**
- ✦ Pre IPO Promoters Holding : **88.14%**
- ✦ Post IPO Promoters Holding : **63.40%**

Objects of the issue

- ✦ Funding working capital requirements of our Company : **Rs. 75 Cr.**
- ✦ Capital expenditure towards purchase of construction equipment/machineries : **Rs. 14.25 Cr.**
- ✦ General Corporate Purposes

Financials of the company

(Fig. in Cr)

Particulars	9M FY 2025	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	254.65	332.16	233.34	285.70
EBITDA	39.29	44.65	20.79	22.91
EBITDA Margin	15.43%	13.44%	8.91%	8.02%
PAT	17.78	15.37	4.85	5.20
PAT Margin	6.98%	4.62%	2.07%	1.82%
ROCE	24.09%	23.07%	12.59%	15.78%
CFOA	-3.29	4.19	-11.22	7.41

Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Globe Civil Projects (FY 2024)	332.16 Cr.	13.44%	4.62%	1.61	424 Cr.	27.58*
B L Kashyap and Sons (FY 2025)	1,154 Cr.	6%	2.34%	0.60	1,465 Cr.	84.80
Ceigall India (FY 2025)	3,437 Cr.	15%	8.35%	0.54	4,242 Cr.	14.80
PSP Projects (FY 2025)	2,512 Cr.	7%	2.22%	0.22	2,927 Cr.	51.90
Capacite Infraprojects (FY 2025)	2,350 Cr.	16%	8.68%	0.25	2,688 Cr.	13.20
Ahluwalia Contracts (India) (FY 2025)	4,099 Cr.	8%	4.92%	0.04	6,062 Cr.	23.20

*Forward PE is 17.89 on the basis of FY 25 PAT.

PROS AND CONS

Pros (Strengths and Advantages)

- ✦ **Diversified Project Portfolio** : Globe Civil Projects Limited's EPC activities cover both infrastructure and non-infrastructure projects. Infrastructure projects include **Transport and Logistics** (roads, bridges, airport terminals, railway terminals) and **Social and Commercial** (educational institutions, sports infrastructure, hospitals), with a historical strength in educational institution buildings. Non-infrastructure projects include commercial offices and housing. This diversification helps spread risk across different sectors.
- ✦ **Established Order Book and Future Revenue Visibility** : As of March 31, 2025, the company's **Order Book (unexecuted portion of existing civil construction projects) was ₹669.10 Cr**
- ✦ **Class I (Super) CPWD License** : The company holds a Class I (Super) license as an enlisted contractor with the Central Public Works Department (CPWD), valid for five years from November 24, 2022. This license allows them to **bid for projects up to ₹650 Cr. without pre-qualification criteria**, which often presents less competition than smaller projects.

Cons (Risks and Challenges)

- ✦ **Highly Fragmented and Competitive Market** : The Indian EPC market is highly fragmented and competitive, with numerous SMEs and large conglomerates.
- ✦ **Lower Revenue Growth**
- ✦ **Dependence on Joint Ventures**
- ✦ **Working Capital Requirements and Cash Flow Delays** : The EPC business is working capital intensive. Projects in the Order Book may be delayed, modified, or canceled, or clients may not pay fully or on time, which could materially harm the company's cash flow position, revenues, or profits. There have been delays in receivables from clients in the past.
- ✦ **High Debts**
- ✦ **Outstanding Litigations**

Final Note for Investor

In summary, Globe Civil Projects Limited benefits from its established presence, experienced leadership, and strong financial margins, particularly within government-backed infrastructure projects. However, it faces challenges related to intense market competition, inconsistent bid success rates, reliance on joint ventures, and the inherent risks of long-term construction projects and working capital management.



Follow us for
SME & Mainboard
IPO Updates
or visit our website
www.investorzone.in

Disclaimer: *The information provided regarding this IPO is intended solely for educational purposes. It should not be construed as financial advice, an endorsement, or a recommendation to invest. Potential investors are encouraged to conduct their own research and consult with a financial advisor before making any investment decisions. Investing in securities involves risks, and it is important to carefully consider all aspects before committing any capital.*