



## LONG TERM SUBSCRIBE

### IPO Report

23<sup>rd</sup> June '25

#### Snapshot

Company is an integrated engineering, procurement and construction ( “EPC” ) company headquartered in New Delhi. Company have undertaken projects in eleven (11) states of India, namely, Uttar Pradesh, Haryana, Delhi, Maharashtra, Andra Pradesh, Karnataka, Gujarat, Chhattisgarh, Rajasthan, Uttarakhand, and Himachal Pradesh. Company is into execution and construction of infrastructure projects comprising of Transport and Logistics projects, Social and Commercial projects and Non-Infrastructure projects comprising of commercial offices and housing.

#### VALUATION

Company is bringing the issue at price band of Rs 67-71 per share at p/e multiple of approx. 18x on post issue annualized 9 months FY25E PAT basis.

Company has strong project management and execution capabilities with growing order book and higher pre-qualification credentials & strong and consistent financial performance & experienced promoters, directors and management team. Hence we recommend “Long term Subscribe” to this ipo.

<b>Price Band (Rs./Share)</b>	<b>67-71</b>
<b>Opening date of the issue</b>	<b>24<sup>th</sup> June '2025</b>
<b>Closing Date of the issue</b>	<b>26<sup>th</sup> June '2025</b>
<b>No of shares pre issue</b>	4,29,58,439 Eq Shares
<b>Issue Size</b>	Rs 112- 119 Cr
<b>Fresh Issue</b>	1,67,60,560 Eq Shares
<b>Face Value (Rs/ share)</b>	Rs 10/share
<b>Bid Lot</b>	211
<b>BIDDING DETAILS</b>	
<b>QIBs (Including Anchor)</b>	75% of the offer (Approx 83,80,280 Eq Shares)
<b>Non-Institutional</b>	15% of the offer (Approx 25,14,084 Eq Shares)
<b>Retail</b>	10% of the offer (Approx 58,66,196 Eq Shares)
<b>Lead managers</b>	Mefcom Capital Markets Limited
<b>Registrar to the issue</b>	Kfin Technologies Limited

#### WHAT WE LIKE

##### *Strong project management and execution capabilities*

With a legacy of over two decades, company have established a track of successfully executing a diverse mix of construction projects. Company have completed 37 projects in the last two decades and have 13 on-going projects, for a diverse set of corporate, government and other customers across various segments. The largest project by area company successfully completed was Academic and Admin Block at AIIMS, Raipur, Chhattisgarh with an area of 463,801.51 sq. ft and a project cost of ₹1,813.47 million. Among company's ongoing projects, the largest project by area and value is NIT Narela Campus with an area of 688,908.57 sq. ft and an estimated project cost of ₹ 3,270.00 million.

##### *Growing Order Book and higher pre-qualification credentials*

Company's Order Book, as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 amounted to ₹7,785.27 million, ₹9,808.56 million, ₹9,378.00 million and ₹3,090.5 million, respectively. Company's Book to Bill Ratio for construction project receipts for December 31, 2024 and for Fiscals 2024, 2023 and 2022 was 3.06 times, 2.95 times, 4.02 times and 1.08 times, respectively. As of March 31, 2025, company's Order Book was ₹6,691.02 million, comprising thirteen (13) ongoing projects consisting of five (5) Infrastructure- Social and Commercial projects, three (3) Infrastructure - Transport and Logistics projects, four (4) Non-infrastructure - Housing projects and one (1) Non-infrastructure - Commercial Office project. However, Company has received letter of intent for two (2) projects, which have commenced.

##### *Strong and consistent financial performance*

The significant growth of company's business in the last three financial years has contributed considerably to its financial strength. Company's total revenue from operations increased from ₹2,857.09 million in Fiscal 2022 to ₹3,321.62 million in Fiscal 2024, representing a CAGR of 7.82%. Company's profit before tax increased from ₹70.19 million in Fiscal 2022 to ₹209.87 million in Fiscal 2024, representing a CAGR of 72.92%.



## COMPANY BACKGROUND

Company is into execution and construction of infrastructure projects comprising of Transport and Logistics projects, Social and Commercial projects and Non-Infrastructure projects comprising of commercial offices and housing. While company's primary focus and strength had been deeply rooted in construction of education institution buildings and railway infrastructure, company have diversified in undertaking specialized infrastructure and non-infrastructure projects, such as railway bridges, airport terminal, elevated railway terminal and railway bridges and hospitals. Additionally, company also undertake trading of goods, particularly TMT steel. Company's revenue from operations from construction project receipts has increased from ₹2,536.17 million in Fiscal 2022 to ₹2,932.67 million in Fiscal 2024 at a CAGR of 7.53%. Company's revenue from trading of TMT steel has increased from ₹320.92 million in Fiscal 2022 to ₹388.95 million in Fiscal 2024 at a CAGR of 10.09%.

Company also provide mechanical, electrical and plumbing ( "MEP" ), architectural and structural work, HVAC, firefighting and fire alarm systems (forming part of the construction project receipts segment).

As of the date of this Red Herring Prospectus, company have successfully completed thirty-seven (37) projects in the last two decades.

Currently, company have thirteen (13) on-going projects, including five (5) Social and Commercial Infrastructure projects, three (3) Transport & Logistics projects, four (4) Residential Building projects and one (1) Office Building project. Company work with a number of reputed clients and are associated with some of the marquee construction projects in India. As of March 31, 2025, company's Order Book was ₹6,691.02 million.

Company is also registered Class-1 Super contractor with the Central Public Work Department ( "CPWD" ), Government of India to tender for any work up to ₹6,500 million. The said license is valid for a period of five (5) years from date of order i.e., November 24, 2022.

**Criteria for registration:** The enlistment rules of CPWD require contractors to meet specific eligibility criteria, which include demonstrating relevant work experience and financial soundness.

**Impact/ advantages of the registration:** With the License, the Company is eligible to submit bids for tenders up to ₹6,500 million. Further, there is less competition in bigger projects as compared to smaller projects. Company have in the past also entered into joint ventures with established and respected companies to strengthen its eligibility, both financial and technical, for participating in high value projects as well as cater to a wider range of project segments.



## INVESTMENT RATIONALE

<p><b><i>Strong project management and execution capabilities</i></b></p>	<p>The largest project by area company successfully completed was Academic and Admin Block at AIIMS, Raipur, Chhattisgarh with an area of 463,801.51 sq. ft and a project cost of ₹ 1,813.47 million. Among company's ongoing projects, the largest project by area and value is NIT Narela Campus with an area of 688,908.57 sq. ft and an estimated project cost of ₹ 3,270.00 million.</p> <p>Over the years company have leveraged its expertise and experience to deliver complex construction projects across verticals and geographies and developed a brand with a reputation for delivering quality services with efficient execution and on-time delivery of projects. Company's goal is to use company's project management and execution capabilities to accomplish its projects on schedule while keeping high construction quality. Company achieve this by utilizing the expertise of its in-house engineering and design team, which possesses extensive knowledge and experience in various aspects of construction, including civil construction, electrical and mechanical work. To ensure that company's construction activities meet the required standards and comply with contractual obligations, company have designated quality system managers responsible for conducting regular inspections and tests at each project site. Over the years, company have developed its capabilities across various stages of a typical project life cycle, commencing from business development, tendering, engineering and design, procurement and construction.</p>
<p><b><i>Growing Order Book and higher pre-qualification credentials</i></b></p>	<p>In the industry that company operate, an Order Book is considered one of the key indicators of future performance. In addition to company's focus on the Order Book, company also focus on adding quality projects with potentially better margins and/or prestigious projects that help enhance company's growing reputation. By diversifying its skill set and company's Order Book across different sectors, company is able to pursue a broader range of project tenders and consequently, optimize its business volume and profit margins. Over the course of years, the size and value of company's projects has grown considerably. Company's Order Book as on March 31, 2025 comprises several notable projects, including Social &amp; Commercial Infrastructure - Education Institution projects with an estimated aggregate contract value of ₹ 1,934.90 million (an Order Book value of ₹ 6,691.02 million as at March 31, 2025) and a Transport &amp; Logistics - Railway project with an estimated contract value of ₹ 713.42 million (an Order Book value of ₹ 6,691.02 million as of March 31, 2025).</p>
<p><b><i>Experienced Promoters, Directors and management team</i></b></p>	<p>Company's Promoters and Directors, Ved Prakash Khurana, Nipun Khurana and Vipul Khurana, have an average of 19 years of experience in the construction industry and have contributed significantly to company's growth and development.</p> <p>In addition, company have a strong senior management team, which has a significant collective experience in the construction industry and is responsible for company's overall strategic planning and business development. Company believe that the leadership of its Promoters, Directors and its senior management team has been a driving force in the growth of company's business since inception and efficient implementation of company's business strategies.</p>



## OBJECTS OF OFFER

The Issue comprises of an issue of up to 16,760,560 Equity Shares.

### Objects of the Issue

Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

The net proceeds of the Issue, i.e., gross proceeds of the Issue less the Issue expenses apportioned to Company ( “Net Proceeds” ) are proposed to be utilised for the following objects:

1. Funding working capital requirements of company;
2. Funding capital expenditure requirements towards purchase of equipment/machineries; and
3. General corporate purposes.

## RISKS

For the nine months period ended December 31, 2024 and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, company derived 10.10%, 29.77%, 57.48% and 54.62%, respectively, of company’s revenue from operations from construction project receipts business segment from projects developed by Central Public Works Department (“CPWD”), company’s top customer. Any slowdown or inability to win new project awards from CPWD (whether due to a slowdown or cessation in new projects being undertaken by such entities), an inability to qualify for and successfully compete for new projects or otherwise) or the loss of any of company’s current significant projects (whether due to restructuring or termination of such projects) could adversely affect company’s business, results of operations and financial condition.

Source:RHP

## INDUSTRY OVERVIEW

### Overview of Construction Industry in India

The construction sector is a critical pillar of the Indian economy, with linkages across more than 250 allied subsectors, including cement, steel, paints, bricks, tiles, and more. It is the second-largest economic activity in India after agriculture, contributing approximately 9.1% to the national GVA in FY 2025, as per the Ministry of Statistics and Programme Implementation (MoSPI). Alongside the output from real estate services and ownership of dwellings, the broader construction ecosystem contributes nearly 14.3% to the total Gross Value Added (GVA) at constant prices. The construction sector is known for its high employment elasticity and strong multiplier effect—a unit increase in construction expenditure has the potential to generate income up to five times in other sectors of the economy, making it a cornerstone for inclusive growth and industrial acceleration.

The construction sector is also India’s second-largest employment generator, employing approximately 71 million people in FY 2023, according to the Periodic Labour Force Survey (PLFS). This figure is expected to exceed 100 million by 2030, driven by the growing demand for urban and rural infrastructure, housing, and industrial development.

The sector plays a major role in direct job creation across disciplines such as engineering, architecture, project management, and skilled trades. Moreover, it indirectly supports millions more through its deep backward and forward linkages with associated industries like manufacturing, transport, logistics, and equipment leasing.

The construction sector contribution to national economy has steadily improved over the years and by FY 2025 it is estimated to account for nearly 9.1% of national Gross Value Added (GVA). In actual terms, the GVA by construction sector reached approximately INR 15.6 trillion in FY 2025, registering.


**Consolidated Financials**

(Rs in Mn)

Financials	FY22	FY23	FY24	9M FY 2025
Total Revenue (A)	2857.09	2333.45	3321.62	2546.57
Total Expenditure (B)	2627.99	2125.42	2875.1	2153.57
EBIDTA	229.10	208.03	446.52	393.00
EBIDTA Margin	8.02	8.92	13.44	15.43
Other Income	10.75	18.24	26.52	20.80
Depreciation	32.48	32.03	38.37	27.76
EBIT	207.37	194.24	434.67	386.04
Interest	137.18	126.86	224.80	153.53
PBT	70.19	67.38	209.87	232.51
Share of profit in Asso	0.01	0.04	0.00	0.02
PBIT	70.20	67.42	209.87	232.53
Exceptional	0.00	0.00	0.00	0.00
PBT	70.20	67.42	209.87	232.53
Tax	18.17	18.82	56.09	54.60
PAT	52.03	48.60	153.78	177.93
NPM	1.82	2.08	4.63	6.99
ROE%	9.05	7.77	19.80	17.82
EPS	1.21	1.13	3.58	4.14
Eq Cap	24.75	24.75	24.75	429.58
Net Worth	574.52	624.41	776.69	998.29

(Source: RHP)

**Peer Comparison**

Company Name	Face Value	EPS	P/E	ROE %	NAV
<i>Globe Civil Projects Limited</i>	<i>10.00</i>	<i>3.58</i>	<i>--</i>	<i>19.80</i>	<i>18.10</i>
Peers					
B L Kashyap and Sons Limited	10.00	2.33	29.57	10.58	22.02
Ceigall India Limited	5.00	19.37	12.88	33.57	57.68
PSP Projects Limited	10.00	34.16	20.38	13.49	222.50
Capacite Infraprojects Limited	10.00	16.09	20.56	7.93	179.30
Ahluwalia Contracts (India) Limited	2.00	55.95	16.41	23.43	238.84

(Source: RHP)



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