

Globe Civil Projects Limited

The company’s revenue is expected to grow by 20–25% by FY27–FY28.



About The Company

Globe Civil Projects Ltd was incorporated in 2002. It is an EPC (Engineering, Procurement & Construction) company with its head office located in New Delhi. The company primarily undertakes infrastructure construction projects such as roads, bridges, airports, educational institutions, hospitals, and sports complexes. Its core business involves designing, procuring materials, and executing large and complex infrastructure projects providing complete end-to-end services under one umbrella. The company operates across four major categories: Transport & Logistics Projects, Social & Commercial Infrastructure, Non-Infrastructure Projects, and Trading of Goods. Globe Civil Projects has expertise in EPC, MEP (Mechanical, Electrical & Plumbing), HVAC (Heating, Ventilation & Air Conditioning), Firefighting, and Structural Works. Currently, the company is active in 11 states Uttar Pradesh, Haryana, Delhi, Maharashtra, Andhra Pradesh, Karnataka, Gujarat, Chhattisgarh, Rajasthan, Uttarakhand, and Himachal Pradesh and plans to expand into West Bengal and Odisha in the future. The company also owns a strong base of construction equipment, including 6 tower cranes, 5 concrete pumps, 2 concrete plants, and a mix of owned and leased JCBs/loaders/cranes. This equipment base helps the company maintain better execution control and cost efficiency.

Highlights

- The company plans to invest ₹14 crore to enhance its capacity by purchasing new machinery and equipment (this investment will be funded through the IPO proceeds).
- Order Book (as of March 31, 2025): ₹6,691.02 million (≈ ₹669.1 crore) — includes projects in education, healthcare, housing, railways, and urban development.
- So far, the company has completed 37 projects and has 13 ongoing projects.
- Globe Civil is registered as a Class-1 Super Contractor with the Central Public Works Department (CPWD), which allows it to bid for projects worth up to ₹6,500 million (₹650 crore). This license is valid until November 2027.
- During the 9 months ended December 31, 2024, and FY22–FY24, the company earned a significant portion of its total revenue from the CPWD (Central Public Works Department):
 - ❖ FY22: 54.62%
 - ❖ FY23: 57.48%
 - ❖ FY24: 29.77%
 - ❖ 9M FY25: 10.10%
- For the 9 months ended December 31, 2024, around 61.95% of revenue came from the Social & Commercial Infrastructure segment (mainly from educational institutions). In FY24, this segment contributed 47.09% of total revenue.
- The company heavily depends on sub-contractors for its operations — these subcontractors provide labor, materials, and specialized services. Most of the company’s work is executed through subcontractors.
 - ❖ FY23: 35% of work through subcontractors
 - ❖ FY24: 45%
 - ❖ As of December 2024: 55%
- About 90% of its revenue comes from Central Government projects.
- While the ROE and ROCE are currently healthy, the company aims to improve further by reducing finance costs and minimizing dependence on middlemen.

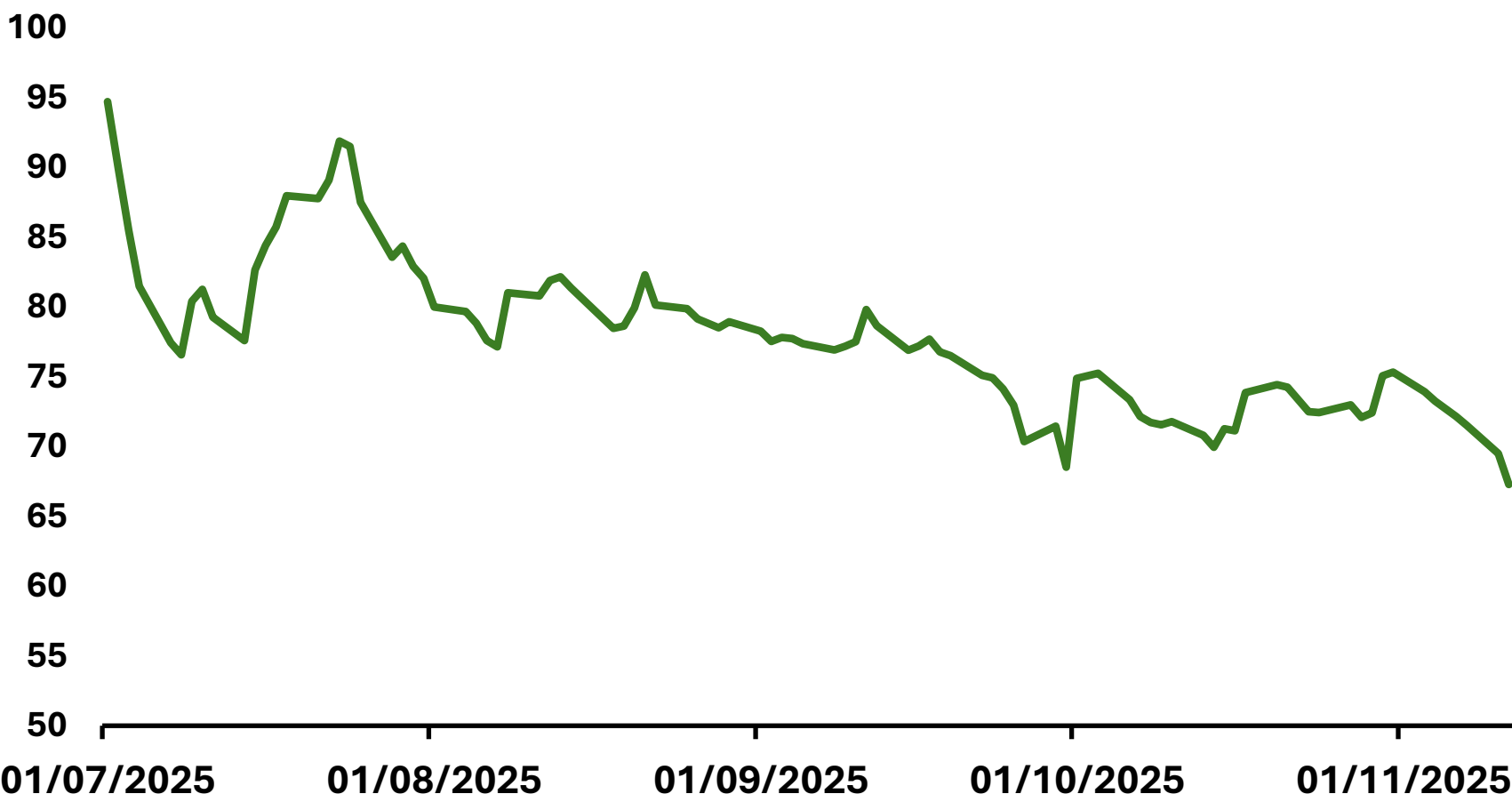
Stock Data (as on Nov 11, 2025)

Nifty	: 25,694.95
High/Low	: 95.0/67.0
Market Cap (INR Crs.)	: 414
Outstanding Shares (Crs.)	: 5.97
Dividend Yield (%)	: 0.00%
NSE Code	: GLOBECIVIL

Particular	Mar-22	Mar-23	Mar-24	Mar-25
Debt/Equity	123.1%	155.90%	160.50%	139.50%
Debt/Assets	30.80%	35.40%	39.20%	40.40%
Debt/EBITDA	300.80%	466.20%	277.50%	273.30%
ROE	9.10%	7.80%	19.80%	22.60%
ROCE	16.30%	12.20%	21.50%	20.90%
ROIC	4.10%	3.10%	8.70%	9.70%

Financial Summary (in Crs.)	FY24	FY25
Revenue	332	379
YoY Growth%	42.49%	14.16%
EBITDA	46.48	56.85
YoY Growth%	121.65%	22.31%
PAT	15	24
YoY Growth%	200.00%	60.00%
EPS (In INR)	62.14	5.6

GLOBE CIVIL SHARE PRICE



Connection Between Infrastructure and the Economy

Infrastructure is the foundational base on which the entire economy grows. If India aims to become a US\$ 26 trillion economy, it must have world-class roads, ports, power supply, digital connectivity, and housing. This directly improves the ease of doing business, meaning companies can operate faster and more cost-effectively, enhancing both productivity and efficiency. Even Prime Minister Modi has repeatedly emphasized that without strong infrastructure, sustainable governance and development are not possible.

Major Government Initiatives

1. Gati Shakti (US\$ 1.3 trillion master plan)
- This is an integrated approach that connects roads, railways, ports, airports, and logistics hubs to bring systemic reforms across sectors.
 - Significant progress has already been made under this initiative.
2. Smart Cities Mission & Housing for All
- Aimed at improving urban living through better housing, sanitation, and digital infrastructure development.
3. Saudi Arabia’s Investment Plan (~US\$ 100 billion)
- Saudi Arabia plans to invest in energy, petrochemicals, infrastructure, agriculture, and mining.
 - This will provide a major FDI (Foreign Direct Investment) boost to India’s infrastructure sector.

Role of Infrastructure in Manufacturing & Exports

- If freight and logistics infrastructure become stronger, the movement of goods will be cheaper and faster.
- Exporters will benefit from lower costs and quicker delivery times, improving India’s global competitiveness.

National Infrastructure Pipeline (NIP) + Make in India + PLI

- The Government has developed a comprehensive project pipeline covering transport, electricity, water, irrigation, and housing.
- Historically, about 80% of infrastructure spending has gone into transportation, electricity, and irrigation.
- Now, the focus is diversifying toward digital infrastructure, green energy, and urban services such as water supply, sanitation, and housing.

The Big Picture

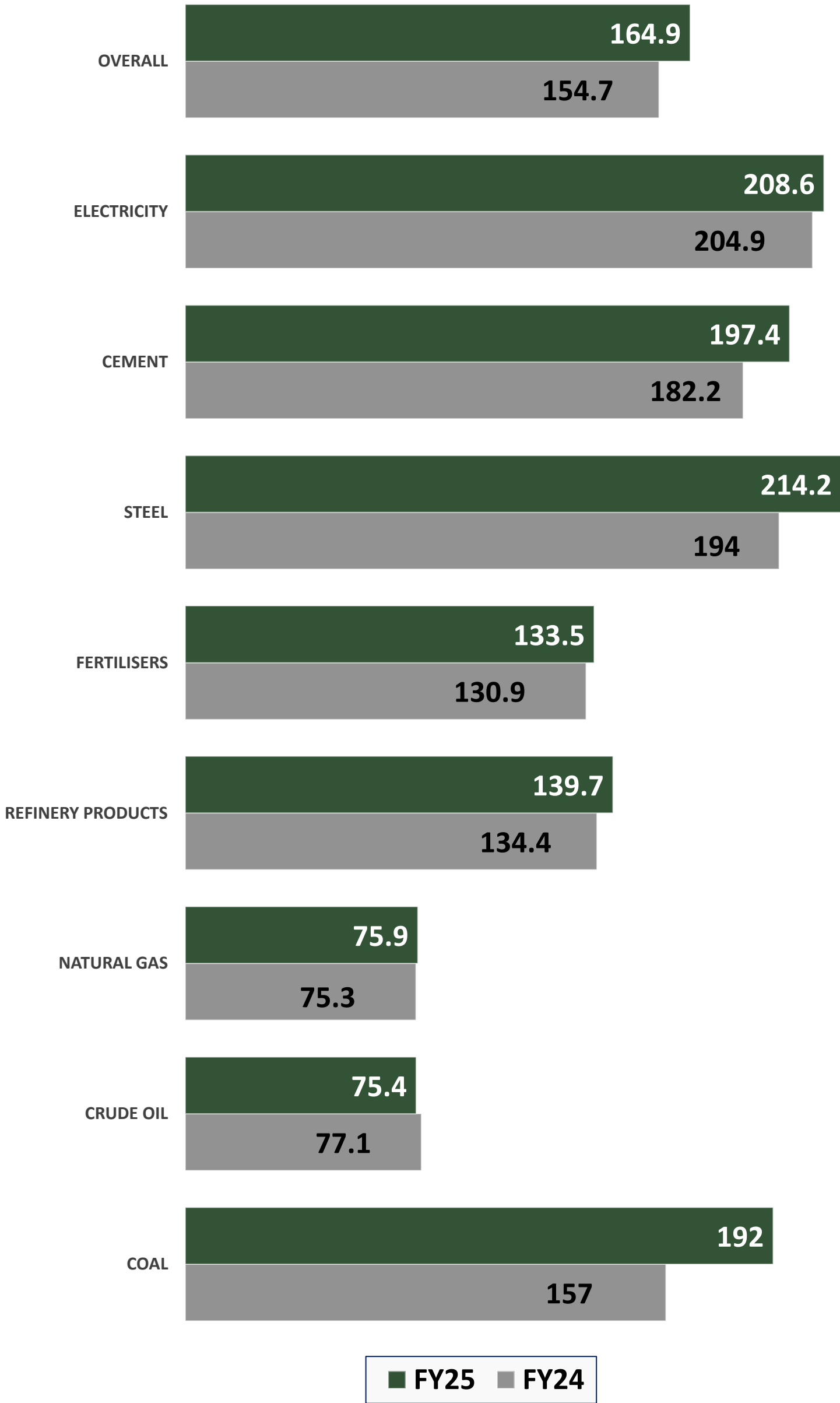
Infrastructure acts as a growth catalyst, driving expansion in related sectors like housing, construction, and townships.

- If infrastructure is upgraded:
- The economy will grow
 - Employment opportunities will increase
 - Quality of life will improve
 - India’s global competitiveness across sectors will strengthen

National Infrastructure Pipeline (NIP)

- Shuruaat me 6,835 projects the, lekin ab badhkar 9,142 projects ho gaye hain — ye 34 sub-sectors ko cover karte hain.
- Inme se 2,476 projects abhi development phase me hain, jinka estimated investment lagbhag US\$ 1.9 trillion hai.
- Transport sector ka sabse bada contribution hai lagbhag aadhe projects isi sector me hain.
- Sirf roads aur bridges ke andar hi 3,906 projects chal rahe hain.

Index Of Eight Core Industries



Source : Ministry Of Commerce And Industry
Note : Previsional (April-March 2025)

ONGOING PROJECTS

The company’s total order book stands at ₹6,691.02 million, which includes 13 ongoing projects. These 13 projects are divided into four categories:

Infrastructure – Social and Commercial Projects: 5 projects
(e.g., schools, hospitals, malls, etc.)

Infrastructure – Transport and Logistics Projects: 3 projects
(e.g., roads, bridges, logistics hubs, etc.)

Non-infrastructure – Housing Projects: 4 projects
(e.g., residential apartments or townships)

Non-infrastructure – Commercial Office Project: 1 project
(e.g., office building or business complex)

In addition, the company has received letters of intent for 2 new projects, which have already commenced.

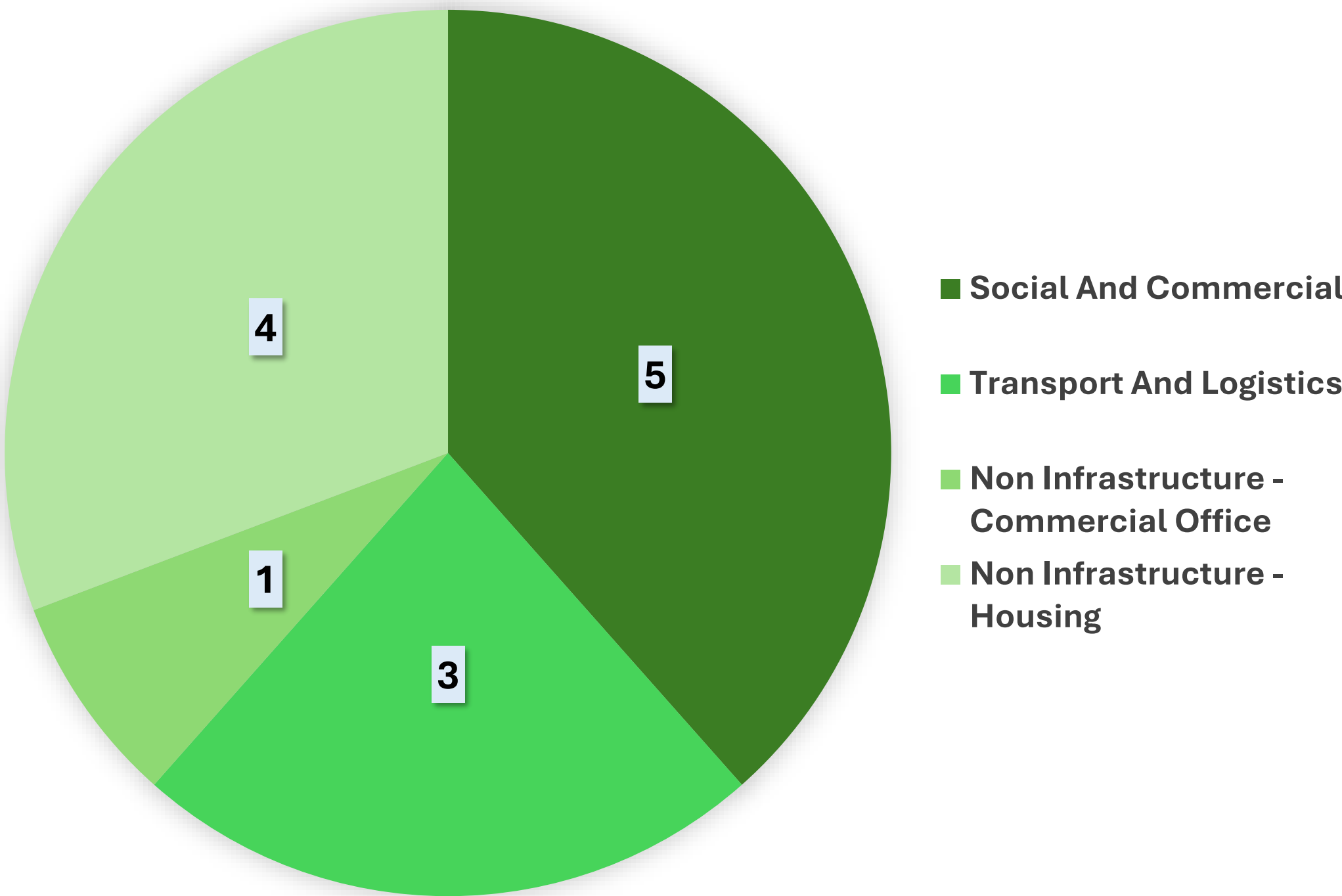
Ongoing Projects

The company is currently executing the following projects:

- Nagpur Railway Station Upgrade
- MEA Housing Complex Redevelopment, KG Marg (Delhi)

Multiple Institutional Campuses in the Delhi NCR region

- New Projects Secured (Contracts won in FY2025–26)
- The company has secured new contracts such as:
 - ❖ International Cricket Stadium – Lohat, Jhajjar
 - ❖ Kotak School of Sustainability – IIT Kanpur
 - ❖ Infrastructure Development – Central University of Punjab, Bathinda



Q1FY26 EARNINGS CONFERENCE CALL

Strategy & Business Focus:

- The company takes on only those projects where the returns meet its targeted profitability levels.
- It maintains margins through escalation clauses (protection against price increases) and efficient project execution.
- Earlier, the company was involved in some trading activities, but it has now completely exited that segment now, all profits come from the EPC business.

Order Book Highlights:

- The company currently has an order book of over ₹1,000 crore, meaning it already has confirmed projects in hand that will be executed in the future.
- Its clients include major central government agencies such as CPWD, NPCC, and TCIL, from whom it also receives repeat orders.
- About 90% of projects are funded by the central government, which reduces the risk of payment delays and ensures stable cash flows.

Finance Cost Reduction Plan:

- The company is actively working to reduce its finance costs (loan interest expenses).
- It is in continuous negotiations with banks to lower commission charges on Letters of Intent (LOI) and non-fund-based limits (like bank guarantees, letters of credit, etc.).
- By reducing borrowing costs and guarantee fees, the company aims to improve profitability.

Projects to be Completed in FY26:

- Out of 15 ongoing projects, 6 are expected to be completed by March 2026.
- Completion of these 6 major projects will boost both future revenue and the company’s credibility.
- Bidding Pipeline (New Projects):
The company bids for new projects worth ₹300–₹400 crore every month. Its focus remains on selective and profitable bidding, rather than chasing volume.

FY26–FY27 Management Guidance:

- The company has targeted a 20–25% CAGR growth rate.
- This growth guidance applies to FY26 and beyond, with the aim to sustain this rate in future years.
- Management is confident of maintaining 20–25% annual revenue growth.
- They have also confirmed that shareholders will receive a dividend in FY26, and the company expects to double its revenue within the next four years.

COMMENTS

According to my observation and understanding, it is quite evident from the management’s responses that the company is following a risk-averse (highly conservative) approach — meaning it prefers to stay in its “safe zone” rather than expanding aggressively.

1. Limitation of Vision

The company claims that it operates only in “important states,” but its definition of “important” seems to be based on ease of monitoring and proximity to management, rather than on growth potential or market opportunity.
This means the company prefers working within its comfort zone, instead of scaling up operations nationwide.
In an industry as vast and capital-intensive as infrastructure, if a company keeps its presence limited, it risks losing the potential to become a pan-India player.

2. Growth Constraint

If the company continues to operate only in selective states (like Maharashtra, Delhi, Punjab, and Haryana), then:
Its project pipeline will remain limited.
Order book growth will slow down.
It will be difficult to build a strong competitive edge (moat).

3. Missed Opportunities

States like Bihar, Odisha, Jharkhand, and the Northeast are currently emerging infrastructure regions undergoing rapid development.
If the company avoids projects in these areas, it will miss out on first-mover advantage and government-backed opportunities.
In the long run, this could benefit competitors who are willing to take calculated risks and enter these new markets.

4. Barriers to Moat Building

An infrastructure company builds its moat through:
Strong technical execution capabilities
Experience in large-scale project handling
Multi-state presence
Strong client trust and government relationships

If the company remains confined to its comfort geography, its reputation and brand recall will stay regionally limited, which is not a sustainable competitive advantage for moat creation.

5. Tone Analysis

The tone of the management suggests a mindset of “we don’t want to lose control.”
While this control-oriented approach can be good to protect profitability to some extent,if it restricts growth, it can lead to stagnation in the long term.

“The infrastructure sector is like an ocean, but this company is sitting with just a glass of water from it.”

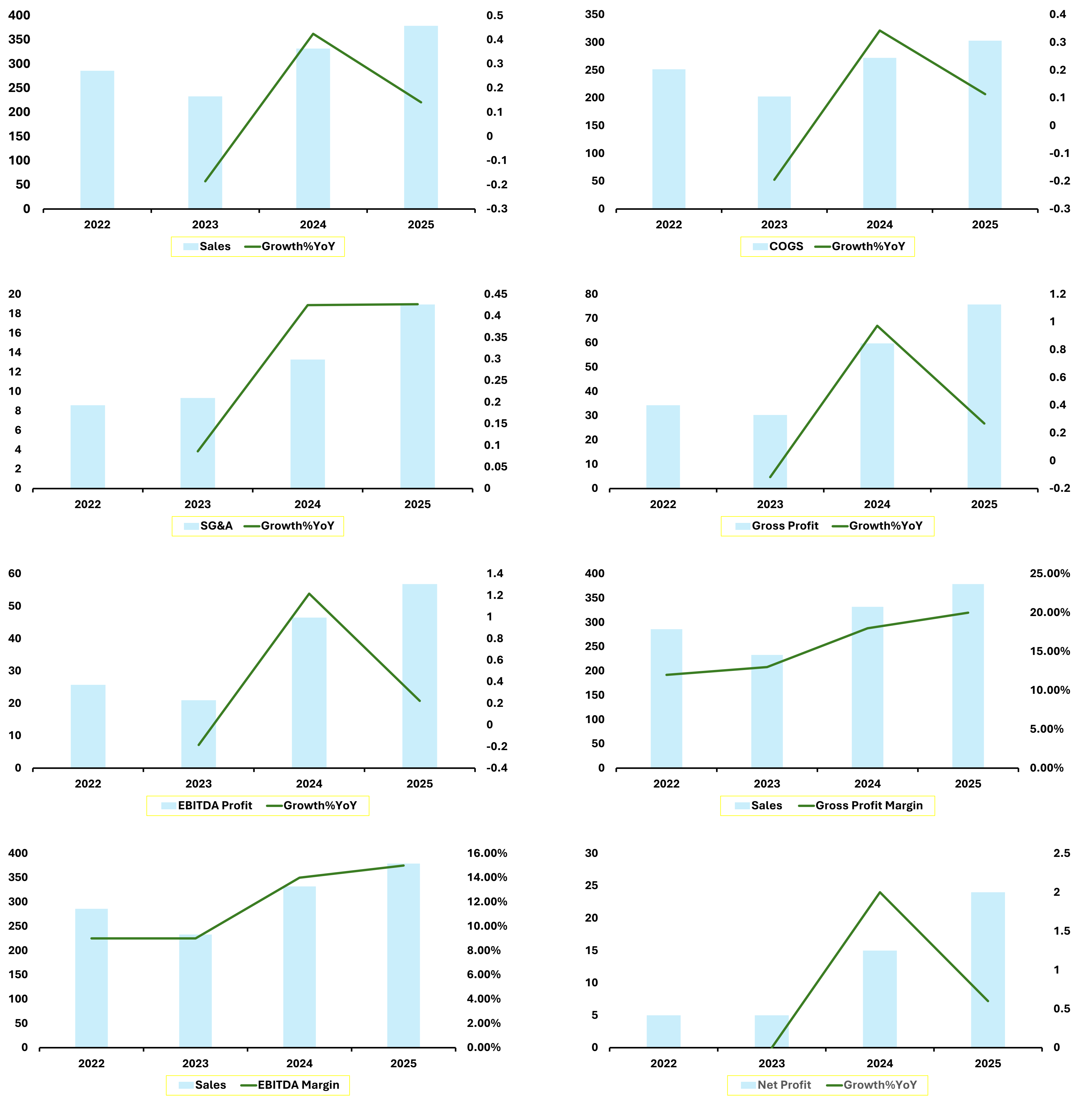
Such an approach may appear stable in the short term, but in the long run, the company risks missing opportunities, limiting its growth potential, and falling behind in building a strong competitive moat.



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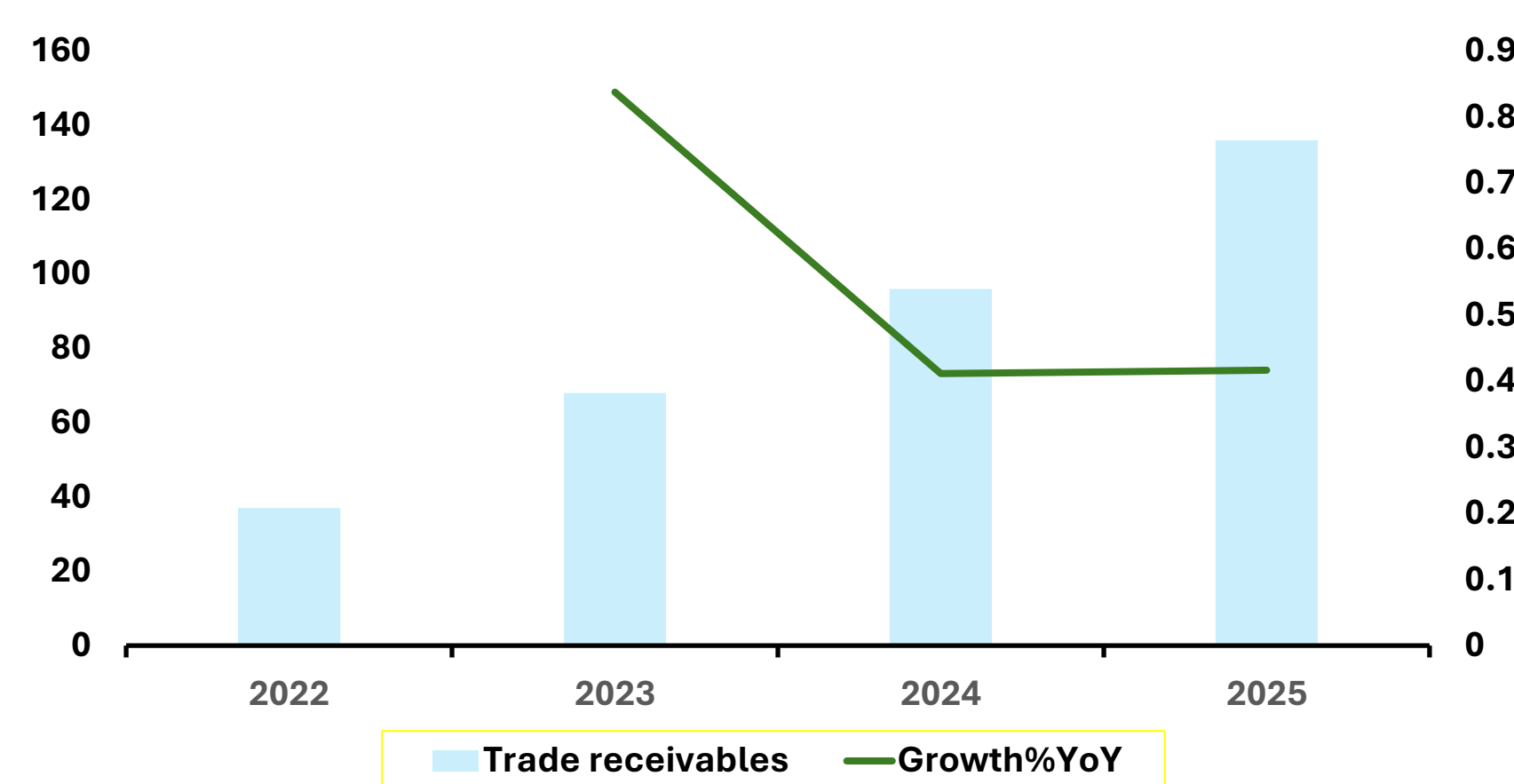
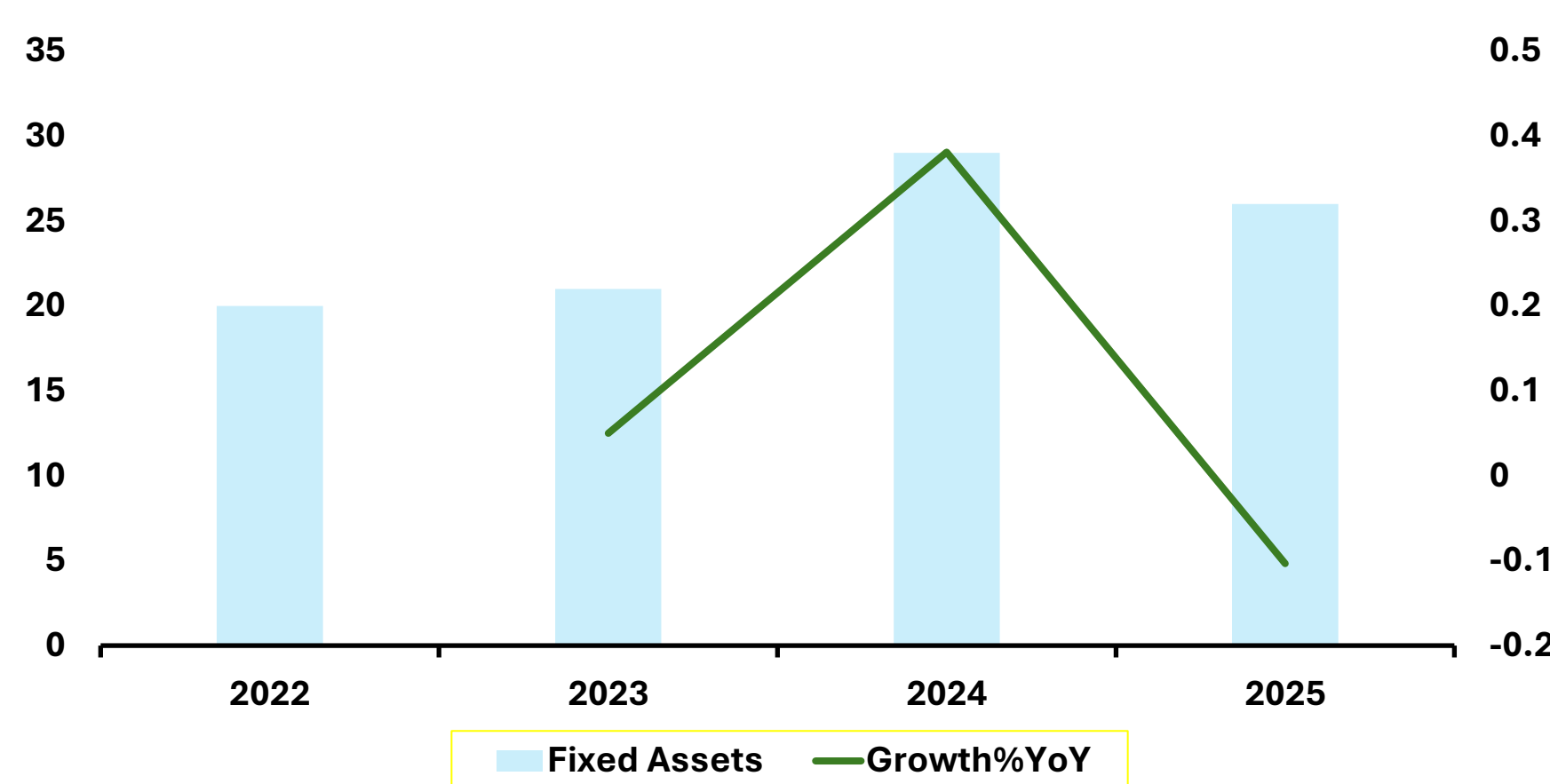
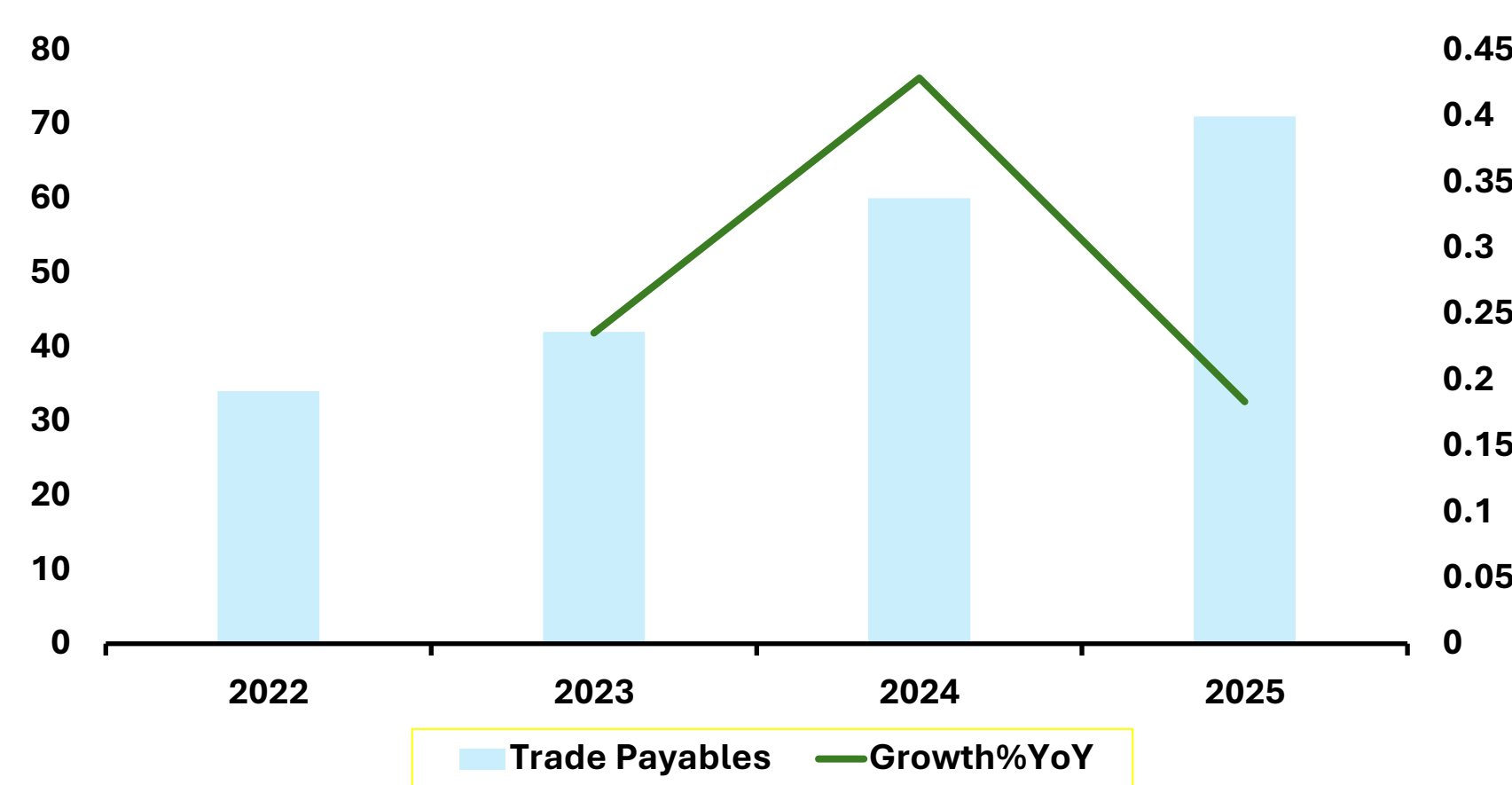
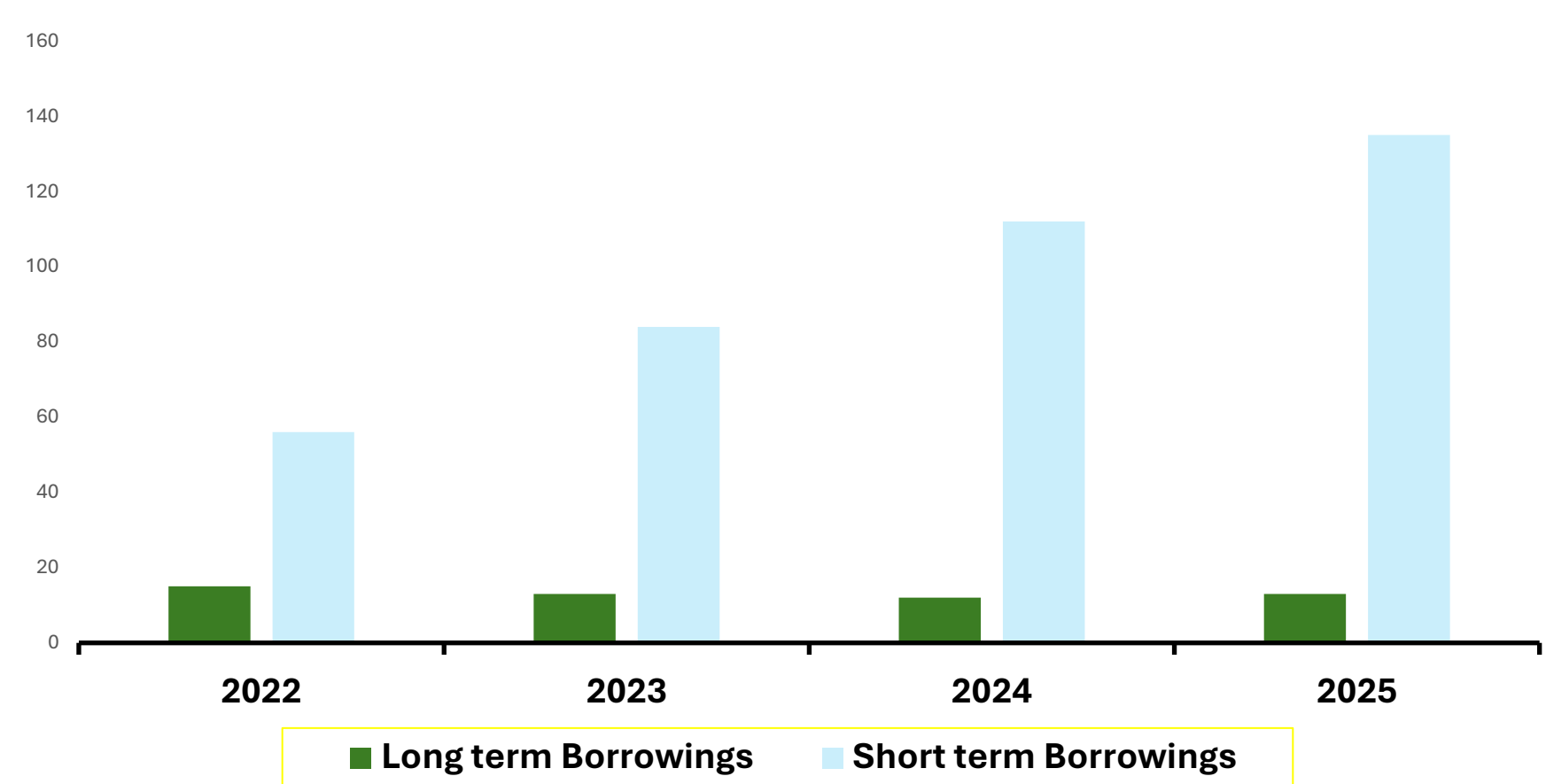
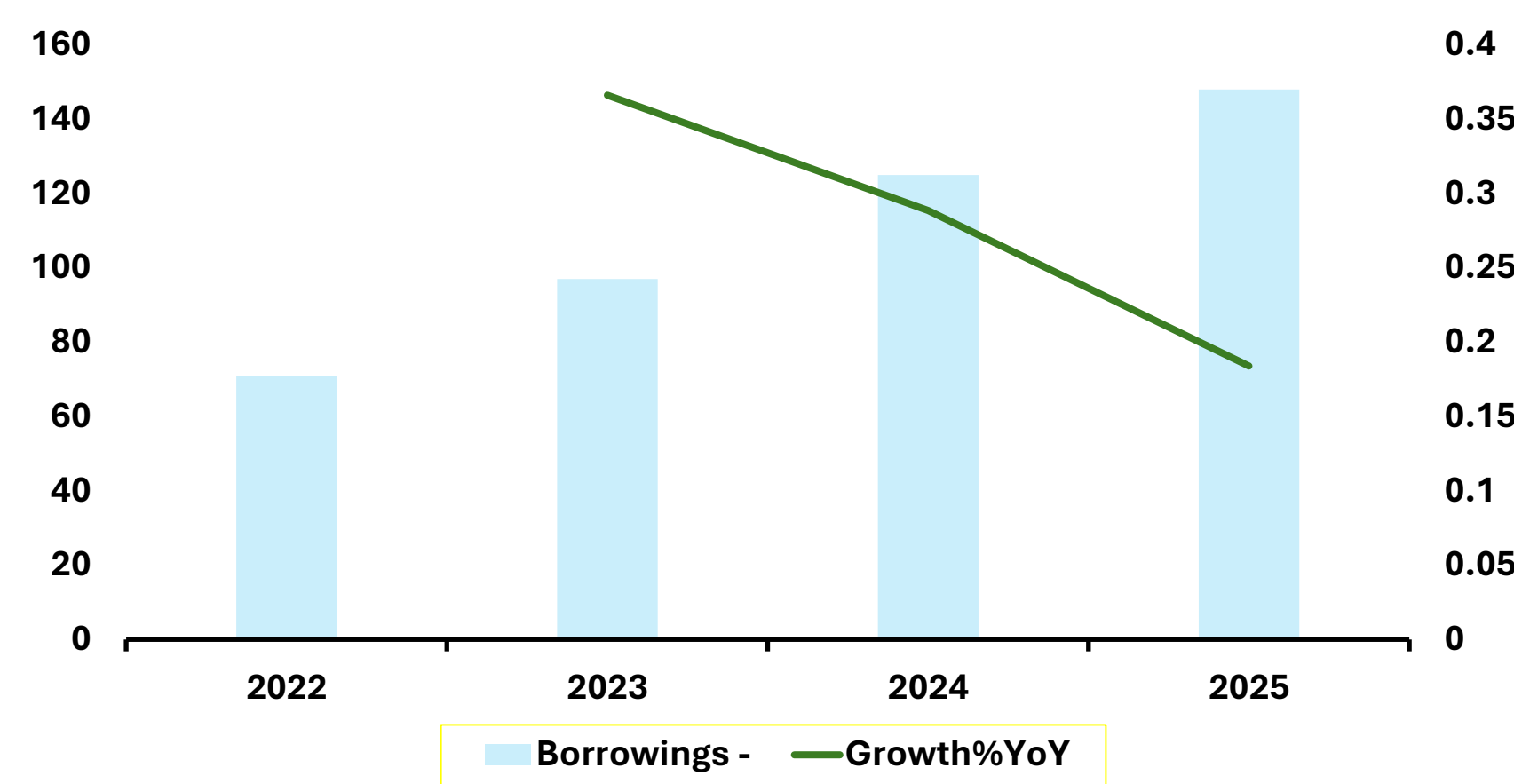
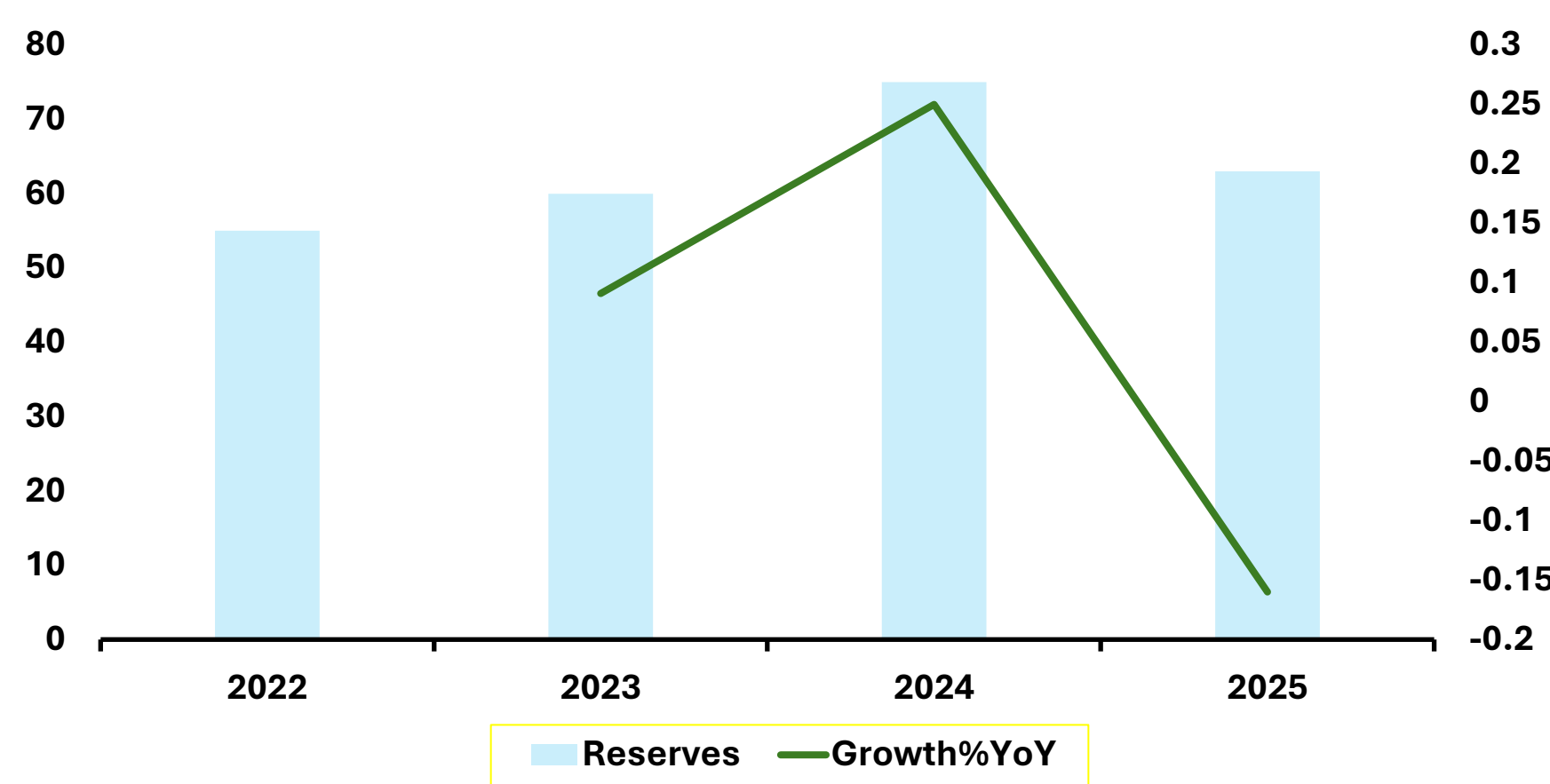
FINANCIAL ANALYSIS





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FINANCIAL ANALYSIS



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